

CURRENT *History*

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FOCUS ON CENTRAL AMERICA

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CURRENT History

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In this issue, seven specialists analyze the recent political and economic developments, as well as the search for stability, in Central America. Exploring the advantages and disadvantages of Puerto Rico's commonwealth status, the introductory article concludes that "three indispensable factors . . . are provided by the American relationship: stability, wealth and technology." Nonetheless, there is also the possibility of destructive change in Puerto Rico.

Puerto Rico Moves Forward

By CHARLES T. GOODSSELL

Associate Professor of Political Science, Southern Illinois University

PUERTO RICO, the 100-mile-long island at the eastern end of the Greater Antilles, has taken a most unusual route to national development and modernization. A quarter-century ago, before such terms as "underdevelopment," "foreign aid" and "economic growth" became the common currency they are today, Puerto Rico embarked on a conscious, directed program of social and economic improvement. It was, perhaps, one of the first polities to do so along the lines of the development process as we know it in the contemporary postwar world.

Yet, despite Puerto Rico's affinity with the numerous other developing countries of the globe, she has followed a path which in one significant way differs from that of almost all the others. Instead of coupling economic and social development with national independence, she has chosen to remain associated with her former colonial master, the United States. In a post-colonial age which prizes such status so highly, independent nationhood has been deliberately eschewed. This fact has puzzled many, and has even sub-

jected Puerto Rico to derision from countries that have insisted on *both* independence and development. Yet, at the same time, the enormous progress achieved on the island in the economic and social realms has undoubtedly been the subject of envy abroad.

Indeed, Puerto Rico's unusual route forward has been something of a two-edged sword. It has brought amazing material progress, but at the same time it has produced lingering doubts and internal stresses. After all, the United States is not an ordinary country, but the most powerful and wealthy in the world. For this reason association with it has not only great advantages but particular dangers.

But before discussing the pros and cons of the relationship, we must first examine the two sides of Puerto Rico's association with the United States—the political and the economic.

Like Cuba and the Philippines, Puerto Rico was taken from Spain in 1898 as an aftermath of the Spanish-American War. For the following 54 years, Puerto Rico was the United States Caribbean colony. Al-

though the Cubans and Filipinos demanded and successfully won their independence from the United States, the Puerto Ricans were not so insistent on splitting away. This does not mean that all Puerto Ricans were of the same frame of mind; in fact, a vocal faction has always demanded independence. Indeed, for many decades one of the two major political parties theoretically advocated separation (the other aspired to full union with the United States, or statehood). But in practice the pressures on Washington from San Juan were for reform of colonial government rather than for its abolition. Eventually, and in a compromising way, several reforms were granted: civilian instead of military government in 1900; American citizenship and a fully elective legislature in 1917; and popular election of the governor in 1947.

At exactly mid-century, the first formal steps were taken in establishing the present constitutional status of Puerto Rico, known as "commonwealth" in English and "free associated state" in Spanish. In 1950, at the request of the then governor and father of modern Puerto Rico, Luis Muñoz Marín, Congress authorized the islanders to draw up their own constitution. This was accomplished in August, 1951, pursuant to a referendum held on the island the previous June. In March, 1952, the Puerto Rican people ratified the document in a second referendum, and in July of that year Congress approved the constitution, with amendments. Later in 1952, the new legal instrument went into final effect, giving birth to the Commonwealth of Puerto Rico.

COMMONWEALTH STATUS

The commonwealth status is a fascinating legal creation, in that it passes beyond traditional constitutional precepts and is ambiguous. Essentially it combines two principles. The first is self-government in local affairs. The Puerto Rican people elect their own governor and legislature, through them enact laws not subject to veto by the United States President or Congress, and are subject to a constitution that they alone can amend. The island has its own income tax, court system,

legal system (a combination of Spanish and Anglo-Saxon law) and governmental bureaucracy. The other principle of commonwealth is continued association with the United States. Puerto Ricans remain citizens of the United States; they are subject to the United States constitution; they are compelled to serve in the United States military forces; and they come under all federal laws of general application except the tax laws. The United States and Puerto Rican monetary, postal and tariff systems are one and the same. However, the islanders do not vote in national elections; they have no voting representatives in Congress; they do not pay federal income taxes; they have no direct diplomatic representation abroad. But they receive the benefits of United States welfare, health, labor and education legislation, and a federal bureaucracy coexists on the island with the insular departments and agencies.

In Puerto Rico, especially among lawyers and academics, controversy rages incessantly over the meaning and legality of this arrangement. Those who support commonwealth status insist that it provides the basis for a dignified and beneficial relationship with the United States, one which escapes the old restrictions and disgrace of colonialism, yet allows the island to maintain its Spanish culture and to perpetuate its many beneficial ties with the mainland. Opponents, however (including those who advocate independence and those who favor statehood), argue that the association is simply a continuation of colonialism and is patently illegal.

Commonwealth advocates point to the process of mutual consent that Congress agreed to in adopting the new status as evidence that colonialism is dead. They also make much of the words, "in the nature of a compact," that are found in the federal enabling act; these are used as proof that a *bilateral* relationship exists between the two jurisdictions. The commonwealth opponents, on the other hand, dismiss these observations as whistling in the dark. Actually, they say, nothing could keep a future Congress from amending relevant federal legisla-

tion unilaterally and revising the status of Puerto Rico completely. Moreover, it is always noted, there is nothing in the United States constitution that permits such an arrangement.¹

In the sense of final legal pronouncement or precedent neither side of the argument is actually "right," for United States courts have not spoken definitively on the validity and nature of Puerto Rico's novel status. Yet one fact remains: the commonwealth arrangement has *worked*. It has been in effect for some 14 years. The people have shown no signs of repudiating the concept by ousting the Popular Democratic Party, the political group founded by Muñoz Marín which is the partisan sponsor of commonwealth. Also, there are no indications that Congress seriously questions this relationship or intends to tamper with it. (Whether Congress truly understands the relationship is another matter.)

But despite these signs of permanence, in recent years Muñoz Marín himself has taken the lead in attempting to clear up ambiguities in the island's status. Without declaring in advance precisely what would be necessary to "perfect" commonwealth status, he and others have discussed such new arrangements as giving the island authority to negotiate commercial treaties independently, giving it some separate insular representation in international bodies, and allowing it to make token contributions to the United States treasury. Muñoz attempted to organize a popular referendum on the three status alternatives in 1962, but was forced to abandon the project when his opponents promised to boycott it. In 1964, Congress created a joint United States-Puerto Rican study commission to examine the matter in detail; in August of 1966 this group issued its report, containing the recommendation that a plebiscite be conducted as originally urged by Muñoz. At this writing no further action has been taken.

Puerto Rico's continued association with

the United States has another side: economic. The keystone of the insular government's economic policy for the past 20 years has been precisely to strengthen and intensify this association, primarily by promoting private United States investment on the island.

ECONOMIC ASSOCIATION

Historically, two major steps were taken to develop this policy. First, in 1940, Muñoz Marín's new Popular Democratic Party won effective control of the legislature. Unlike most political leaders of the past, Muñoz did not orient his new party around the question of political status. Instead of endless debate on independence versus statehood, he urged concentration on the pressing problems of poverty, disease and illiteracy in this "poorhouse of the Caribbean," as he termed it. Under his leadership, the legislature adopted a host of reform statutes. These included a land reform measure, tax reform, and provision for the development of an economic infrastructure. A development company was also formed, later reconstituted as the Puerto Rico Industrial Development Company, popularly known as "Fomento."

The now-famous "Operation Bootstrap" launched by Fomento began its campaign of economic development by emphasizing (1) the promotion of *Puerto Rican* investment in new industry ("to avoid the evils of absentee ownership," in the words of the Development Company's organic statute), and (2) the investment of *public* funds in new enterprise. Implementation of this latter involved the formation of five industries owned and operated by government corporations: a cement company, a glass plant, a paperboard-making facility, a clay products firm and a shoe factory.

This socialistic venture was, however, deemed a failure by the mid-1940s. All the industries except cement lost money, and some did not even get off the ground. Only a thousand or so new jobs had been created, at great expense to the treasury. This led to a fundamental switch in development policy: instead of concentrating on local public and private capital, every effort would

¹ In this discussion of commonwealth I am indebted to Professor Henry Wells of the University of Pennsylvania for his paper delivered before the International Political Science Association in 1964, "Puerto Rico's Association with the United States."

TABLE I: ECONOMIC AND SOCIAL INDICATORS IN PUERTO RICO
(Selected Fiscal Years)

	1939– 1940	1949– 1950	1959– 1960	1964– 1965
Gross Product, 1954 dollars (millions)	499	879	1,482	2,083
Per Capita Income, current dollars	121	279	585	900
Registered Motor Vehicles (thousands)	26.8	60.7	179.7	318.8
Telephones in Service (thousands)	16.8	32.3	75.8	181.6
Per Cent Literacy, age 10 and over	68.5	75.3	83.0	86.2
Death Rate, per 1,000 population	18.2	10.5	6.6	6.5
Birth Rate, per 1,000 population	39.0	39.6	31.6	29.7

Source: Puerto Rico Planning Board

be made to attract *private* capital from the *mainland*. This marked a second historical step in the development of Puerto Rican economic policy. Begun in 1945 and concluded by 1950, this resulted in Operation Bootstrap as we know it today.

The backbone of the development program is a series of special techniques designed to heighten the attractiveness of Puerto Rico to the United States business firm seeking a location for new investment. Most important is a generous tax break: the corporation is given complete exemption from all taxes (income, municipal and property) for a period extending from 10 to 17 years. Special cash grants are made to firms that agree to locate in high-unemployment areas away from San Juan. Extensive employee training programs, both on-the-job and institutional, are arranged and partly financed. Fomento also maintains an inventory of factory buildings which it rents to incoming firms at low rates. Other advantages Puerto Rico can offer United States businessmen include a labor force willing to accept lower wages than those acceptable on the mainland, tariff-free trade with the huge United States market, and a pleasant, even climate.

As a result of these factors, Fomento's industrial promoters can boast that in Puerto Rico United States companies are, on the average, able to *triple* their profits on equity investment and *quadruple* them on a basis of sales. This being the kind of talk businessmen like, United States firms have opened subsidiaries or affiliates by the hundreds in Puerto Rico. In the fiscal year ending June

30, 1966, alone, 412 new plants were formed. Of these, 248 were financed by external capital, almost all of it from the United States. It was recently calculated that some 1,200 manufacturing plants have been established in Puerto Rico in the past 15 years, representing an investment of more than \$900 million. A number of these plants are small operations or belong to relatively small firms; it is sometimes noted with amusement that one-third of all brassieres sold in the United States are made in Puerto Rico. But then, too, one finds the mammoth petro-chemical complex on the south coast of the island, which involves such corporate giants as Union Carbide, Gulf Oil, Phillips Petroleum, Commonwealth Oil and Hercules Powder. No less than 24 of the 100 biggest United States corporations are represented on the island.

To avoid giving the impression that Puerto Rico's social and economic development efforts are centered solely about United States investment, a number of other features of the program should be mentioned. Increasing emphasis has been placed in recent years on attracting Puerto Rican investors to manufacturing industry, in an attempt to wean them away from speculation in land and real estate. A full-scale program is under way to modernize agriculture; promotion of tourism is also a major ingredient of development policy. In addition, there are social undertakings such as the program of self-help housing—whereby a man builds his own home with furnished materials—or the imaginative community education programs of the department of education. The Puerto

TABLE II: VOTING PERCENTAGES IN GENERAL ELECTIONS (1948-1964)

	1948	1952	1956	1960	1964
Popular Democratic	72	67	63	58	59
Statehood Republican	16	13	25	32	35
Puerto Rican Independence	12	20	12	3	3
Christian Action	—	—	—	7	3

Source: State Board of Elections

Rico planning board, which oversees the entire development effort, has for years had the reputation for being one of the most advanced planning bodies in the hemisphere.

Has the development program worked? Critics can point to notable shortcomings in the record—a lingering unemployment level of around 11 per cent, the continued existence of deplorable slums around San Juan, and the springing up of entirely new problems such as street gangs, abortion rings and drug addiction. It can be said also that progress has simply not been fast enough; despite a slowly declining birth rate and migration to the United States (which has declined sharply since the 1950's), overpopulation is increasing. Whereas in 1940 the population density of the island was 546, today it is in the neighborhood of 750. This compares to about 65 in the United States.

Nonetheless, tremendous advances have been made. As Table I shows, the gross product has quadrupled since 1939-1940. Per capita income is higher than any Latin American republic with the possible exception of Venezuela. The number of automobiles and telephones has risen sharply. Great strides have been made in education and health; almost one-third of the population attends school, and life expectancy (70 years) is longer than it is on the mainland. Few societies can cite such rapid advances in so short a time, in so many aspects of the society's well-being.

THE CHOICE EVALUATED

It is, of course, presumptuous for an outsider to evaluate the choice made by Puerto Rico. For continued association with the

United States to be satisfactory, it must be accepted by Puerto Ricans. Unfortunately, no sure indicator of opinion exists. As has been noted, attempts in recent years to conduct referenda on the question have not been successful. Electoral statistics may be enlightening. Three of the four political parties now operating stand roughly for a given form of status: the Popular Democratic Party supports commonwealth status; the Statehood Republican Party and the Puerto Rican Independence Party stand for what their names denote. It must be remembered that other issues and the personalities of candidates are also strong factors in insular elections; thus electoral behavior is only a partial indicator of sentiment.

Both the Popular Democratic and the Statehood Republican parties advocate some type of continued association with the United States. As Table II shows, the Popular Democratic Party has been in the clear majority for many years although its proportionate strength has declined somewhat. At the same time, the Statehooders have been gaining ground since 1952. Taking the votes cast for these two parties *together* as representing the combined sentiment in favor of *some* form of association with the United States, we see that from 1952 onward the percentage has been rising. In that year it was 80 per cent; in 1964, 94 per cent. Meanwhile, the Puerto Rican Independence Party has lost tremendously in recent years, becoming an insignificant minor party from an electoral standpoint.²

Although this is only partial evidence and glosses over the ambiguous feelings of many Puerto Ricans, it nevertheless seems clear that some type of association is becoming increasingly acceptable. Since the vast majority of Puerto Ricans seem not to want national

² Votes for the Christian Action Party may be disregarded as irrelevant to the issue of association since its program is essentially social and moralistic.

independence, the advantages and disadvantages of commonwealth status may usefully be explored.

On the plus side, one might say that three indispensable factors for material prosperity are provided by the American relationship: stability, wealth and technology. Unlike most Latin American countries, Puerto Rico has no problem of military intervention because it has no military establishment of its own. Furthermore, it enjoys a stable constitutional and legal framework since that framework is intermeshed with the legal stability of the United States. These factors alone are of incalculable value in carrying out a development program. Moreover, the great wealth of the United States, both in terms of available private capital and of public funds (such as federal grants-in-aid), is manifestly an enormous boon.

Finally, the vast technological resources of the United States, again in both the private and public sectors, have given Puerto Rico a distinct edge; long before "Point Four" was ever heard of, for example, the island was receiving a stream of North American visitors advising on every subject from the raising of cattle to the designing of a government budget. A reverse stream of Puerto Ricans northward for education in the United States has similarly been under way for decades; for example, Roberto Sanchez Vilella, the governor elected in 1964, was trained in civil engineering at Ohio State University in the early 1930's. The same can be said for other Puerto Rican leaders, such as Teodoro Moscoso, Rafael Picó and Muñoz Marín.

Yet there is also a negative side to the association relationship with the superpower to the north. Association not only provides the basis for constructive change, but for destructive change as well. The inroads on traditional Spanish culture wrought by bustling Anglo-Saxonism are seen everywhere: the Spanish language is being eroded by English terms and expressions; the ways of commerce and industry are being Americanized; the values of a materialistic United States are rising. Paradoxically, just as the country grows in economic strength and hence in self-

esteem, it becomes more and more dependent upon the United States for investment to maintain its rapid rate of growth. Now that the fruits of wealth have been tasted, the possibility of cutting off the flow of investment and reverting to poverty becomes untenable.

This is possibly what lies behind the vocal support given to independence by university intellectuals and others, and the signs within the Popular Democratic Party of discontent with the status quo. Muñoz himself seeks "perfection" of the Commonwealth and Governor Sánchez urged at his inaugural in January, 1965, "Let all our people commit themselves to the formation of their own destiny." Despite the pride with which Puerto Ricans view their American citizenship, despite their realization that the route of association has been the route to economic progress, great numbers of islanders seem worried.

What of the future? Probably Puerto Rico will continue to ask a "perfected" commonwealth of some kind, at least for now. Some type of association with the United States will no doubt continue to provide the route forward for Puerto Rico. But at the same time, unless Puerto Ricans follow the example of the Hawaiians and opt fully for the American orbit, a growing restiveness seems almost unavoidable, at least among the thoughtful elite. Undoubtedly the island will continue to prosper; but the price the islanders will have to pay is increasing dependence on the United States. The central question will be: is such association compatible with the natural craving for autonomy of a proud and culturally distinct people?

Charles T. Goodsell has served as an assistant professor at the University of Puerto Rico (1960-1964), and as a research associate for Princeton University (1964-1966). He is the author of *Administration of a Revolution: Executive Reform in Puerto Rico under Governor Tugwell, 1941-1946* (Cambridge: Harvard University Press, 1965), and of the forthcoming *Federal Power and Business Freedom*, with co-author John J. Corson.

LATIN AMERICA



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As this observer views the Balaguer regime, "Whether it can remain in office long enough to restore a measure of economic stability . . . remains an open question." The answer, he feels, depends "in part on Balaguer's capacity to maintain popular support and in part on the ability of rival groups to mobilize power against him and his government."

The Dominican Search for Stability

By HENRY WELLS

Associate Professor of Political Science, University of Pennsylvania

AT THE BEGINNING OF 1966, the prospects for an early return to peace and stability in the Dominican Republic could scarcely have been less bright. Santo Domingo was in the throes of a crisis that had rekindled the passions of the mid-1965 civil war and was threatening the existence of the provisional government, then only four months in office. The crisis deepened in February, when a week-long general strike paralyzed the economic life of the nation. By the middle of March, however, the situation had changed remarkably for the better. In April, candidates began campaigning for public office in an atmosphere that became progressively more tranquil as election day approached. Held on June 1, the election itself was peaceful, free and honestly conducted.

To the surprise of many observers in the United States, Joaquín Balaguer was elected president of the republic by the vote of 57 per cent of the 1.3 million Dominicans who went to the polls. Inaugurated on July 1, he immediately began to put into effect the policies of recovery and reconciliation that he had advocated during the campaign. His conduct of affairs during his first three months

in office augured well for the future stability of his regime. Among other things, it revealed that he was still a shrewd tactician and an able administrator, as he was during the Rafael Trujillo era. The question that remained, however, was whether his qualities of leadership, impressive as they were, would be equal to the task ahead. Even to stay in power to the end of his four-year term would call for almost superhuman skill on his part, not to mention a generous quotient of good luck.¹

Among the many staggering problems that Balaguer faced when he took office, none was more formidable than the Dominicans' almost total lack of experience with any kind of politics save anarchy on the one hand and despotism on the other. The few relatively democratic regimes that the country had known were too ineffectual, too constantly threatened by violent overthrow and, in the end, too short-lived for the Dominican people to develop much understanding of the politics of democracy. Moreover, fair elections had been too few and infrequent to implant the notion that they could confer legitimacy on a government—that the vote of the majority in a free election was justification enough for a government to exercise constitutional powers and to enjoy the respect and obedience of all citizens.

Far more compatible with the Dominican

¹ See Henry Wells, "Turmoil in the Dominican Republic," *Current History*, Vol. 50, No. 293 (January, 1966), pp. 15-16, for an account of Balaguer's former presidency and exile.

experience was the view that no government was entitled to obedience and respect except on grounds of superior force. More compatible still was its corollary, that any government was fair game if a minority could muster force enough to overthrow it. From the outset, therefore, the Balaguer government could expect to find itself more or less continually threatened by conspiracies and even by open attempts to bring it down. Whether it could survive the challenges would depend in part on Balaguer's capacity to maintain popular support, and in part on the ability of rival groups to mobilize power against him and his government.

BACKGROUND: CIVIL WAR

Both the strength and the vulnerability of the Balaguer regime can be traced back to the revolt of April 24, 1965, and the ensuing civil war, which was confined exclusively to Santo Domingo and polarized political forces in the capital for nearly a year. Most of the city's political activists were deeply involved in the struggle on one side or the other. Those prominent in the rebel camp included dissident military officers—such as Colonel Francisco Caamaño Deñó, who served as president of the rebels' so-called "constitutionalist government"—and leaders of two democratic-left political parties, the Dominican Revolutionary Party (P.R.D.) and the Revolutionary Social Christian Party (P.R.S.C.). Aligned with them, but often not under their control, were the members of three communist parties—the pro-Castro Fourteenth of June Movement (1J4), the pro-Chinese Dominican Popular Movement (M.P.D.), and the pro-Soviet Popular Socialist Party (P.S.P.), which in August, 1965, changed its name to the Dominican Communist Party (P.C.D.).

The antirebel faction consisted mainly of the regular armed forces, some of whose officers belonged to extreme right-wing military cliques or cabals. Associated with them were a few private citizens, most of them members of small right-wing parties. Both military officers and civilians served on the antirebel group's so-called "government of

national reconstruction," of which Brigadier General Antonio Imbert Barrera was president.

Caught in the middle were the vast majority of the city's residents, many of whom were apolitical. Like their fellow-citizens outside the capital, only more so, they were helpless victims of the internecine struggle. Bad though their situation was, it would have been far worse—many more lives would have been lost and much more property destroyed—if the warring factions had been allowed to fight to the bitter end. In that event, the conflict would doubtless have engulfed the entire country and one side might have exterminated the other, so rancorous was the enmity between them.

Two kinds of external intervention prevented any such savage outcome. One was the interposition of a powerful military force between the combatants—a force that first consisted of United States troops, which began to arrive on April 28, and later of the Inter-American Peace Force sponsored by the Organization of American States (O.A.S.), into which the United States units were incorporated soon after the establishment of the I.A.P.F. on May 22. The other type of intervention was diplomatic. It took the form of a three-man ad hoc committee sent by the O.A.S. to represent that organization in the republic. Its leading member and usual spokesman was Ellsworth Bunker, United States ambassador to the O.A.S. Its purpose was to find a way to end the hostilities and secure agreement on a provisional government that could prepare the country for a restoration of democratic institutions through free elections.

The ad hoc committee began work on June 3, and after three months of often frustrating negotiations it achieved its objectives. On August 31, representatives of both sides signed an act of Dominican reconciliation, which officially ended the conflict, and an institutional act, which set up a provisional government and called for the holding of elections within nine months. With previous approval from both sides, the committee's choice for provisional president, Héctor Gar-

cía Godoy, took the oath of office on September 3, 1965.

RETURN OF THE EXILED PRESIDENTS

During the course of its negotiations with the two factions, the ad hoc committee had had the endorsement of numerous nonpolitical groups in the capital and throughout the provinces, and the support of many prominent individuals as well. Among the latter was Joaquín Balaguer. In exile when the revolt began (as he had been since March, 1962), he had been careful not to become identified with either side. Staging a dramatic return to the Dominican Republic on June 28, 1965, he immediately announced his support of the ad hoc committee's peace proposals and his intention of running for president as the candidate of his *Reformista* party when elections could be held. From the moment of his arrival, therefore, Balaguer put himself forward as an advocate of peace, order and reconciliation.

These goals were also the objectives of the provisional government, but it could make little progress toward achieving them during its first six months in office. The bitter enmities died hard, especially among the extremists of both sides. The communist parties had indeed denounced the reconciliation and institutional acts and urged the rebel forces not to abandon the struggle. On the other side, General Imbert and his "national reconstruction government" resigned rather than sign the two documents. The latter were finally ratified by the chiefs of the armed services as representatives of the antirebel faction.

Such acts of defiance or noncooperation played into the hands of the right-wing extremists within the armed forces, whose leader

was General Elías Wessin y Wessin. The provisional government viewed his continued presence in the country as a standing threat to its existence and therefore arranged for his removal. On September 9, at the request of that government and with the concurrence of the ad hoc committee, the Inter-American Peace Force deported Wessin to Miami.

Another event that exacerbated tensions during the early days of the provisional government was the dramatic return of the other exiled former president, Juan Bosch. Unlike Balaguer, Bosch had been deeply involved in the revolt and the civil war. The announced purposes of the revolt had been the restoration of Bosch to the presidency and the reinstatement of the so-called "Bosch constitution," which his P.R.D. majority in the Dominican chamber of deputies had adopted in April, 1963. As already noted, P.R.D. leaders were prominent in the rebel camp; and Bosch had personally endorsed the selection of Colonel Caamaño as president of its "constitutionalist government." For reasons not fully known perhaps even to himself, Bosch had chosen not to join the struggle in person. Instead, he had kept in touch with the rebel leaders by radio-telephone from his residence in Puerto Rico and had issued frequent public statements condemning the other side, the United States government, the Inter-American Peace Force, and the O.A.S.

Bosch finally returned to the republic on September 25, 1965, the second anniversary of his overthrow as president. A few hours after his arrival, he delivered an inflammatory speech before a large crowd of rebel supporters in one of Santo Domingo's public parks. He demanded the immediate withdrawal of the I.A.P.F. and declared that the nations of the hemisphere that had contributed military forces to it should pay the republic indemnities for having invaded the country. He called for the payment of one billion dollars by the United States and lesser amounts by the other participating nations.

Bosch also urged the use of strikes and demonstrations to force the I.A.P.F.'s removal.² His exhortations strengthened the

² Taking up residence in the rebel zone, Bosch announced that he would not leave it until the last foreign troops had left Dominican soil. On October 26, however, after I.A.P.F. troops had on several occasions exchanged rifle and artillery fire with left-wing extremists in the zone who had refused to surrender their weapons, Bosch asked for I.A.P.F. protection so that he could move to a safer location on the outskirts of the capital. It was in this second residence, a heavily guarded house from which he seldom emerged, that he later conducted his presidential campaign.

hand of the communist agitators, whose commitment to such violent tactics had been a major factor in the continuing unrest. Needless to say, his arrival speech also further embittered the right-wing attitude toward the rebel movement in general and toward Bosch in particular. The contrast between the stands taken by Bosch and Balaguer on their respective returns from exile was presumably not lost on the hundreds of thousands of Dominican families whose deepest longing was for a speedy return to normal conditions.

THE SANTIAGO INCIDENT

Throughout October, Santo Domingo continued to be plagued by frequent acts of mob violence and almost nightly bomb explosions and outbursts of rifle and machine gun fire. In November, the disturbances lessened and the economic and cultural life of the capital began to show signs of recuperation. During December, however, this trend was reversed. Early in the month a provisional-government announcement concerning a reduction in the traditional Christmas bonus set off a wave of strikes and violent demonstrations by government employees, reinforced by extremist elements.

During the morning of December 19, heavy firing broke out at the Hotel Matúm on the outskirts of Santiago, the nation's second-largest city. A group of some 150 heavily armed former rebel officers and men, including Colonel Caamaño, who had gone to the hotel to attend a breakfast, and a group of military personnel who were stationed nearby, were involved. Seven hours later, I.A.P.F. troops arrived from Santo Domingo and stopped the shooting. In the meantime, 28 lives had been lost on both sides and much damage had been done to the hotel.

News of the Santiago incident caused a violent commotion in the capital. Rebel sympathizers blamed the minister of the armed forces and the three service chiefs for starting the fracas and threatened to stage a general strike unless Provisional President García Godoy removed them from office. Sporadic bombings, gunfire, and demonstrations kept the city on edge while it awaited

the findings of a special commission appointed by the president to investigate the incident. On January 3, 1966, García Godoy announced that the commission had been unable to pin responsibility for starting the incident on either side, and that he had therefore decided to assign the top officers of both the regular and the rebel forces to diplomatic posts and other missions outside the country. Three days later it was revealed that the officers slated to depart included the armed forces minister, Commodore Francisco J. Rivera Caminero, the chiefs-of-staff of the army and the air force, and 20 other regular military officers. Colonel Caamaño and ten other rebel officers were also on the list.

Both camps greeted the announcement with abuse and defiance. At first the military appeared to be headed toward an attempted coup d'état, but a sharp warning from the ad hoc committee was sufficient to prevent such action. On the other side, the communist parties and certain left-wing unions issued a call for a general strike, but the attempt failed for lack of worker support. On January 11, six rebel officers left to take up their foreign assignments and, by January 22, the other five on the president's list, including Caamaño, had also left the country. Their departure sharply increased the rebel sympathizers' impatience at the continued refusal of Commodore Rivera Caminero and the service chiefs to obey the president's orders.

During the next two weeks, tensions mounted dangerously. On February 7, daily shooting incidents, riots and mass demonstrations began. On February 10, pro-rebel labor unions and political parties issued a call for a general strike to force the departure or punishment of the military chiefs. Juan Bosch supported the strike as leader of the P.R.D., and it quickly began to take effect. On the night of February 12, Rivera Caminero left for Washington to become military attaché in the Dominican embassy; but since no other military officers followed his example, the strike continued. It lasted until February 17. By that time, the economic life of the capital and even the nation had come

to a virtual standstill. Serious shortages of food and other necessities had developed in Santo Domingo since no supplies could be brought in from the surrounding countryside. Frequent acts of violence, especially shooting between snipers and the police, had taken a heavy toll of dead and wounded.

The strike ended the day after a speech by President García Godoy, in which he announced in effect that he was removing the still-recalcitrant service chiefs from office,³ and that he was ordering all government employees to return to work at once, on pain of dismissal for noncompliance. Although isolated bombings and shootings continued, the situation in Santo Domingo gradually returned to normal. By the middle of March, the economy of the capital had substantially recovered from the dislocations caused by the general strike and the political atmosphere had become markedly less turbulent.

THE PRESIDENTIAL CAMPAIGN

According to decree, the preelection period began on March 1, 1966. Even before that date, Rafael F. Bonnelly, another former president of the republic,⁴ had announced his candidacy, and two or three small right-wing parties had begun political activities on his behalf. Expressing confidence in the goodwill of the Dominican people, Joaquín Balaguer began to tour the country in March, although not yet formally nominated by his *Reformista* party. The P.R.D. and the P.R.S.C., on the other hand, were slow to start their campaigns. Their leaders took the position that conditions were still too unsettled. Bosch, in particular, kept insisting that the political climate was not conducive to the holding of free elections and that the police and the military were harassing P.R.D. organizers in the provinces. For a time, therefore, it was doubtful whether either of

those parties would participate in the election.

By April 25, however, all of the parties had held their nominating conventions. Balaguer was nominated by the *Reformistas* and also by two small parties, neither of which was much more than a paper organization. Bonnelly received the endorsement of five small parties, mainly conservative in outlook and personalist in leadership. Bosch was nominated by the P.R.D., the P.R.S.C., and the only communist party permitted to register, the Fourteenth of June Movement. He refused the 1J4 nomination, however, on the grounds that it would cost him more than 100,000 votes. Within his own party, Bosch was at best a reluctant nominee. As he explained to the P.R.D. convention, he had made "all possible efforts" to find someone else to take the nomination but had been turned down by everyone, including Colonel Caamaño.

Apart from a minor incident or two in the rural areas, in one of which partisans of Bosch and Balaguer came to blows and a local P.R.D. leader died of machete wounds, the campaign proceeded with a minimum of violence. Balaguer ranged widely through the country, everywhere repeating the *Reformista* slogan, "Neither Injustices Nor Privileges," and promising peace, reconciliation, land reform and economic recovery. Bosch, on the other hand, left his house only once—on April 10, when he attended the P.R.D. nominating convention. The rest of the time he stayed at home, closely guarded by frogmen formerly attached to Colonel Caamaño's headquarters. Reportedly afraid of assassination, he confined his campaigning to daily radio broadcasts "taped" in his residence. For the most part he discussed land

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³ As it turned out, García Godoy removed the chiefs-of-staff but did not require them to leave the country. Instead, he kicked them upstairs by appointing them to vice-ministerial posts, where presumably they could do little harm. Bosch and other pro-rebel leaders frequently criticized the president for having failed to make good on his promise to send them abroad.

⁴ See Wells, *op. cit.*, p. 16.

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In this study, the historical and contemporary problems of "the Wild Coast"—French Guiana, Surinam, and newly-independent Guyana—are explored.

The Three Guianas

By THOMAS MATHEWS

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THE NORTHEAST COAST of South America between the mouths of the Orinoco and the Amazon Rivers has been known as the Wild Coast ever since European explorers directed their ships there in search of the famed El Dorado. On the perimeter of the claims of the Portuguese to the southeast, and the Spaniards to the northwest, the Wild Coast was a no-man's land of tropical jungles, unhealthy swamps, mud flats and shifting sand bars complicated by the strong ebb and flow of treacherous tidal currents. Some early authorities have attributed the first use of the term to the Dutch, but English documents of the first decades of the seventeenth century show that the term was in wide use by English explorers in the time of Sir Walter Raleigh.¹

Whether of English or Dutch origin, the term Wild Coast aptly described the Guiana area. At least ten major and many smaller rivers poured down to the coast, bringing extensive flooding during the area's two rainy seasons. Unrestrained tides could sweep salt water in from the sea, covering most of the low coastal plain. At low tide, salt marshes and muddy mangrove swamps lined the coastal fringe, making cultivation impossible. The savage Carib and Arawak Indians living in the interior were a threat to many of the first settlers. In 1763, the most extensive slave rebellion in the New World prior to

Toussaint L'Overture's succession in St. Domingue further contributed to the reputation of the Wild Coast. Disastrous schemes of colonization by the French brought some 14,000 Alsatian settlers to die on the coast in 1764–1765. Finally, the infamous French prison of Devil's Island (closed only in 1946), made unforgettable by Emile Zola's defense of Captain Alfred Dreyfus, served to confirm for the contemporary world the foreboding aspect of the Wild Coast.

From time to time, some success has been realized in the attempt to tame this territory. Calling on their experience in reclaiming land from the sea, the Dutch built a series of sluice gates, or "kokers," along the drainage canals and smaller rivers to control the flow of flooded rivers with dikes and, in times of high tide, to prevent the unwanted invasion of the sea. The British, in turn, constructed a formidable sea wall, completed in 1882, which served to retain the salt water along more than 140 miles of sea coast.

African slaves and, after the abolition of slavery, indentured East Indians and, more recently (in the Dutch area), Javanese have been brought to the Wild Coast to work in the large rice and sugar plantations, which slowly prospered behind the costly system of dams and dikes. Towards the interior, just 10 or 15 miles behind the fringe of the Wild Coast in the slightly higher savanna region, vast deposits of bauxite have been strip-mined in this century, bringing some industrial development to the Guianas.

¹ Letters of Sir Thomas Roe, in V. T. Harlow's *Raleigh's Last Voyage* (London: Argonaut Press, 1932).

The Wild Coast is still far from tamed. French Guiana is still virtually virgin territory, untouched and ready for exploitation; ravishingly beautiful in the wild savagery of an unpopulated wilderness. Surinam, formerly Dutch Guiana, is the home of the Bush Negroes, who until recently lived in primitive isolation unmolested by a monetary economy and unhampered by stultifying formalities of modern social institutions. The wildness of newly-independent Guyana, formerly British Guiana, is a modern "wildness," brought about by deep racial antagonism which pits the African against the East Indian in a struggle for political supremacy.

FRENCH GUIANA

In French Guiana, the smallest and least populated of the three Guianas, over half the population lives in Cayenne, the capital; the rest are widely dispersed along the coast. Most of the inhabitants are *métis*, or mixed bloods, formed by a mixture of European, African and Indian peoples. There are Indian tribes in the interior and some Bush Negro villages, particularly along the boundary with Surinam.

Since 1946, French Guiana has been politically integrated into the French Republic as an overseas department. In reality, this has meant very little to the Guianese, since under the highly centralized French government the political power and administration is completely controlled from Paris. One deputy and one senator are elected to serve in parliament but the top government authority, the prefect, is appointed (as in all other French departments) by the central government.

French Guiana has suffered greatly from a tragic history and a devastating reputation. The development plans of the late eighteenth and early nineteenth centuries—involving the migration of thousands of French settlers, and even some American (1821–1822)—ended in pitiful disasters, due to poor management and tropical maladies. The establishment of a prison for France's worst criminals on its coast served to fix in the minds of the Frenchmen the utter worthlessness of the

colony. Some 70,000 prisoners were sent there in the 87 years during which the prison was operated; 50,000 of these outcasts never returned to France. The spice plantations of other centuries have ceased to exist and, in 1965, sugar was last produced in French Guiana.

Nonetheless, the neglect into which French Guiana had fallen was to be corrected. In 1963–1964, after considering a number of possibilities, France's National Center of Space Studies selected the small village of Kourou on the coast of French Guiana as the site for a vast space center. Previously, the French space and missile base had been established in the Sahara Desert, but the independence of Algeria precluded the continuation of the center there. The availability of uninhabited land, virtually free from political complications; the proximity to the equator, where space missiles could take advantage of the maximum outward thrust of the earth's surface; the absence of hurricanes, which do not touch the Guianas; and the fairly direct access by air and sea, all combined to point to Kourou as the ideal spot for a complex spatial laboratory.

The construction of the space site which began in August, 1965, is now well under way. By January 1, 1967, the transfer of men and equipment from the missile range of Hammaguir in the Sahara is to begin and, if all goes according to plan, it will have been completed by July, 1967. One of the problems faced by the French has been the securing of laborers to construct the center. Sparsely populated French Guiana could not supply the necessary labor and, in any case, the Bush Negro saw little advantage in working for money which would bring him small satisfaction in the isolated interior. The reputation of the area was sufficient to preclude any recruitment from the overpopulated French Antilles. Laborers have been secured from Colombia and the British West Indies, mostly St. Lucia, but the former have met difficulty in adjusting to the cultural change. Inexplicably, the French have not tapped the almost inexhaustible manpower of the unemployed Haitians, who would be

capable of immediate adaptation to the tropical climate and the French language.

By 1970, Kourou (the site of one of the more tragic colonization schemes in 1764) should have a population of 12,000 persons; by 1980, it should have double this number. Spatial exploration from the laboratories will begin in 1968 although the first satellite will not be launched until 1969. Eventually, the French—who are very anxious to have their European neighbors cooperate with them in this operation—expect to have a scientific community of over 1,000 space scientists at the center.

Perhaps more important for French Guiana's immediate development is the fact that construction of the center will open the area for further exploitation. Port facilities are already being prepared for ocean-going vessels. Electric power plants are being built. Aqueducts are being laid down and a purification center will eventually provide local water for a community which at the present imports its potable water from France.

Currently, small quantities of lumber and gold are the only natural resources exported from French Guiana. The only industry of importance is a shrimp packaging and freezing plant which markets its product in the United States through the Borden Corporation. An estimated 30 million tons of bauxite is available for exploitation. Kaiser Aluminum Company has the option on this mineral wealth, located in the Kaw mountains not far from the coast, but the lack of an adequate harbor has prevented the enterprise from getting under way. Although the space center is located in a different area, it is conceivable that with its development new industries will locate on the coast, leading to eventual exploitation of the mineral resources of French Guiana. At least this is the hope of the French, who look to the space center as the means of taming and settling their section of the Wild Coast.

SURINAM

Since 1954, Surinam has formed one part of the tripartite kingdom of the Netherlands, under Queen Juliana of Holland. The con-

stitution of the kingdom gives Surinam complete local autonomy, retaining only defense and international relations as areas of competence of the kingdom. The large plantations built up during the days of slavery have been divided and the agricultural sector of the economy is sustained by numerous small farms, mostly in the hands of East Indians and Javanese. With strong financial support from Holland and some support from the European Economic Community, Surinam has moved ahead of the other Guianas in opening up its interior and in preparing the way for the exploitation of mineral resources and a subsequent industrial development program. A new market, modern port facilities and a four-lane highway are projects currently under way in the capital city of Paramaribo. With the help of Suralco, a subsidiary of the Aluminum Company of America, Surinam has saddled the great hydroelectric power of the Surinam River where the Afobaka Dam now provides power for Paramaribo and sufficient energy to allow the manufacturing of aluminum for the first time in the Caribbean.

Two new dams are planned. One, the Torarica Dam, also on the Surinam River, will be built in 1967 to provide additional electric energy and divert water for irrigation purposes to the farming area south of Paramaribo. The other dam—an ambitious project on the Kabalebo River in northwest Surinam—will take much longer and will depend on the success of a consortium of aluminum companies which have applied for permission to exploit an estimated 400-million-ton bauxite deposit far from the coast.

Further, in the summer of 1966, the government located a reliable vein of oil on the coast, west of Paramaribo. Shell Oil Company has received permission to explore for additional oil deposits just off shore along the west coast. With bauxite, aluminum plants, hydroelectric dams and now oil, the industrial growth of Surinam seems certain.

In spite of this bright picture, the immediate economic picture is discouraging. The cost of living has risen—in the last four years for which there are statistics (1960–1964)—

by more than 10 per cent. The cost of food products produced in Surinam has risen during the same period by over 20 per cent, due primarily to drought and an antiquated distribution system. Inflation has not been more noticeable principally because of the increase in the importation of consumer products, mostly from the European Economic Community. However, this in turn has produced a growing adverse balance of payments which has been kept under control only because of the increase in the export of bauxite, mostly to the United States, and the willingness of Holland to lend the Surinam government funds for its operating budget and for long-term construction projects. This year, as in previous years under the present government, there will be a sizable deficit in government operations. The debt has now approached approximately 75 million florins, and Holland is reluctant to underwrite any further credit until there is evidence of thrift and a tightening of unnecessary government expenditures. There is strong evidence to indicate doubt as to the ability—indeed, even the desire—of the present government to comply with any economy measures. The extravagance and corruption of the prime minister and some members of his cabinet are legendary not only in Surinam but also in Holland.

Political parties in Surinam reflect the racial heterogeneity of the country. Excluding the 35,000 Bush Negroes and the 5,000 South American Indians, the principal racial groups are the Creoles (44 per cent of the population)—a group which in Surinam includes the Negroes and mulattoes who, in contrast to the Bush Negroes, have accepted the European way of life; the East Indians (36 per cent of the population), who maintain their distinct and separate way of life; the Javanese (17 per cent), who are the least integrated into Surinamese society, and the small minority of Europeans (2 per cent). The current government, which is coming to the close of its four-year period of administra-

tion, is formed by a coalition of the Creole, East Indian, and Javanese parties. There are also a number of smaller parties and the racial groups often find themselves divided into factions reflecting differences of opinion on political issues. As the racial distribution stands now, the East Indians and the Javanese are in the majority but they are not united within their own racial groups let alone able to work in harmony against the Creoles.

Prime Minister J. A. Pengel, a Creole, is a very skillful politician who has dominated the Surinam political stage for the past 10 years. In light of the election to be held before March, 1967, the political picture is fluid but there is little doubt that Pengel, having promised to double the pay of civil servants, will come up with a winning combination of parties which will allow him to serve as prime minister for another four years. This will not always be so, because the rapid East Indian population growth will within a short time turn the political balance in favor of the East Indians. Faced with this threat, Pengel and his National Surinam Party (N.S.P.) have moved to accelerate the incorporation of the Bush Negro into Surinam's political and economic life.

The impressive Afobaka Dam has created a 600-square mile man-made lake. However to make room for this lake, large Bush Negro villages had to be moved. Almost without exception, these villages have been relocated closer to Paramaribo and the more accessible coastal fringe. Pengel has encouraged this movement toward civilization.

Villages now have electricity, tap water, churches, schools and plazas with meeting halls. The tar-papered wooden shacks built by the government are much less comfortable than the cool, palm-covered, dirt-floored wooden huts of the former villages, but as yet the man from the bush has not turned from his benefactor. Faced with the forthcoming election, Pengel has raised the government's payment to the *granmans*, the leaders of the villages, and extended for the first time token payments to the secondary leaders, the captains of the divisions of the villages and to the *bassias*.²

² The *bassias* keep law and order in the villages; the reference here is to the female *bassias*, who perform this task among the women.

Some have warned that the assimilation of the Bush Negro is progressing at a far too rapid pace. Members of the department of government charged with the welfare of the Bush Negro argue that the former social pressures of the village over the individual are fast disappearing and that there are no conclusive signs to show that the man from the bush has been able to adopt the mores of modern civilization. Nonetheless, Pengel, who needs their votes, cannot afford any delay. Thus, local political ambition accelerates the process of taming one more aspect of the Wild Coast.

GUYANA

Guyana—since May 26, 1966, a fully independent member of the Commonwealth of Nations—is the largest and most populated of the three Guianas. The population, different from that of multiracial Surinam, is deeply split into two solid racial blocs, the majority East Indian and the minority Negro. Aggravated by the political agitation of extremists in both blocs, racial antagonism broke into violence and rioting in February, 1962. Since that time, the two peoples have lived under tension and in unspoken fear, so profoundly divided that it will take a generation of peaceful coexistence before some degree of racial harmony can develop in Guyana.

Cheddi Jagan, who classifies himself as a Marxist-Leninist, is the undisputed leader of the East Indians. This group for the most part is made up of small farmers (engaged in the cultivation of rice and some sugar) and small storekeepers and merchants. Their dedication to Jagan is so complete that the East Indians overlook Jagan's commitment to an economic philosophy that conflicts with their everyday practices.

From 1953 to 1964, Jagan was the recognized political head of British Guiana, although the British colonial office was successful in keeping him out of his elected office for more years than he was allowed to serve. Throughout the ten years he kept up the battle for his left-wing philosophy and continued to demand immediate independence for the colony.

After the riots of 1962, the colonial constitution was revised and a proportional representation system for voting was devised. The net result was a victory for a coalition of the Negro bloc led by Forbes Burnham (a former cohort of Jagan) and an ultrareactionary party made up mostly of Europeans, with a few South American Indians. The coalition had 29 seats in the legislature (22 and 7); Jagan's People's Progressive Party had only 24. Forbes Burnham, a brilliant left-wing lawyer, became the chief minister in January, 1965; within a year and a half he had brought independence to his country and the prime ministership to himself.

Since independence, a sudden change has come over Guyana. As one wag put it: "When the Union Jack came down from the flagpole at Government House, the Stars and Stripes went up." Perhaps less graphic and certainly much harder to disprove is the persistent rumor that former United States President John F. Kennedy and the British government had agreed that if the British could put a noncommunist into power in an independent Guyana, the United States would provide the funds for the development of the new nation.

The facts are that from July 1, 1953, to December 31, 1964, the United States granted British Guiana a total of \$6.4 million. From January 1, 1965, when Forbes Burnham took over, to July 20, 1966 (the latest date for which figures are available), the United States has approved over \$21 million in loans and grants for Guyana. Furthermore, an investment guarantee of the United States government on over \$257 million applied for by

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This writer finds that, in 1966, the hopes of the October, 1944, revolution have been "fairly well institutionalized in Guatemala despite the bitter resistance of 'traditional' forces. Rightist leaders," he continues "who have dominated Guatemala's governments since 1954 have not been able to wipe out the reforms and programs started by Arévalo and Arbenz."

Guatemala in Perspective

By MARIO RODRÍGUEZ

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TO GUATEMALANS, October 20, 1944, is a date packed with much emotional significance. It marked the end of Jorge Ubico's 13-year dictatorship and the beginning of the Guatemalan revolution—a full-fledged effort to modernize Guatemala in every respect. President Julio César Méndez Montenegro—who took over the nation's presidency July 1, 1966—and his party, the *Partido Revolucionario* (P.R.), are committed to the ideals and reforms of the October Revolution and the new regime has promised to further the pragmatic type of liberalism associated with the party. Today, Guatemalans are optimistic that he will fulfill the objectives implicit in the frequently heard slogan of the post-Peralta period: "Country, People, and Revolution." While, as this article is written, it is still too soon to predict what will befall the new administration, it is a good time to look at recent developments in Guatemala and, more particularly, at the successes and failures of the recently-ousted Peralta regime.

The October Revolution led to the regime of Juan José Arévalo, who assumed the presidency in 1945 and was succeeded by Colonel Jacobo Arbenz Guzman in 1951. Arbenz was

ousted in 1954 by a rightist coup headed by Carlos Castillo Armas. After the assassination of Armas in 1957, the popular and conservative Miguel Ydígoras Fuentes became president. It was this regime which was replaced by the military rule of Colonel Enrique Peralta Azurdia in 1963.

When Miguel Ydígoras Fuentes assumed the presidency in 1958, his popularity was at an all time high.¹ A true showman—Guatemalans still recall his skip-rope antics on television—the 60-year-old general had the backing of conservatives, especially of the enlightened variety, and of anticommunists who remembered his opposition to the regime of Colonel Jacobo Arbenz (1951–1954). Even leftists felt that the old eccentric could not do much harm in office; he might even honor his promises on democratic procedures. Within five years, however, Ydígoras alienated practically all sectors of the political spectrum. The economic distress that accompanied the 1959 drop in coffee prices, coupled with the government's austerity measures, undoubtedly contributed to his loss in popularity, especially in the face of rumors concerning governmental graft.²

In addition, Ydígoras offended Guatemalan nationalism by permitting Cuban exiles to train in his country in preparation for the Bay of Pigs expedition. The left, representing labor, students, intellectuals, and a good portion of the middle classes, sym-

¹For a sympathetic account of his administration, see Ydígoras' work, written in conjunction with Mario Rosenthal, *My War With Communism* (Englewood Cliffs, N. J.: Prentice-Hall, 1963).

²Mario Rodríguez, *Central America* (Englewood Cliffs, N. J.: Prentice-Hall, 1965), pp. 30–35, provides further detail on Ydígoras' period.

pathized with Fidel Castro, who at that time had not yet declared himself a communist. Anti-United States demonstrations thus proliferated; charges of toadyism to the United States were common; and leftists characterized the president as a tool of the landed oligarchs, foreign investors and business leaders. Even moderates were disillusioned and angered by the disclosure of Cubans training on Guatemalan soil. A group of young army officers tried in vain to oust the government on November 13, 1960; and shortly thereafter, President Dwight Eisenhower ordered United States naval units to patrol the nearby waters—humiliating news to sensitive Guatemalan nationalists. Incidentally, one of the present terrorist groups—M-3, *Movimiento 13 de Noviembre*—dates its origins to that unsuccessful coup.

Strongly influenced by the military, President Ydígoras attempted to quiet the opposition by periodic declarations of a state of siege. The last one was on March 25, 1963, just six days before his deposition. To be sure, the left and nationalistic moderates wasted no tears over Ydígoras' downfall, perhaps explaining why so many of them later cooperated with the Peralta dictatorship.

The right was no more sympathetic to Ydígoras than the left, offended as it was by the administration's middle-of-the-road policies and its determination to implement the Alliance for Progress reforms. Although Guatemalan conservatives shared the United States concern for communism, they did not believe in a program of gradual social revolution that would eventually undermine their centuries' old leadership of Guatemalan politics and society. To endorse such a program, in their way of thinking, would be to sanction the hated revolutionary program of Juan José Arévalo (1945–1951) and his successor, Arbenz—administrations that they had fought tenaciously for years. The attempt to introduce the income tax in late 1962

was especially objectionable to people who were not accustomed to bearing the burden of taxation in their country. This led, among other things, to a rightist revolt in the air force on November 26, 1962; however, it was quickly suppressed.

By coincidence, on that same day ex-President Juan José Arévalo announced from Venezuela that he would be a candidate in the presidential elections scheduled for December, 1963. Arévalo had publicly declared his antipathy for Castroism; he was a friend of President Rómulo Bettancourt of Venezuela; and his political platform was in ideological agreement with the Alliance for Progress. The right indeed had reason to be frightened; at all costs it was determined to block the return to power of a man who had been so instrumental in launching the vaunted Guatemalan revolution.

THE U.S. ROLE

A crucial factor in this political situation was the attitude of the United States toward Arévalo, not a very popular man among Americans in Guatemala or officials in Washington. Ambassador John O. Bell told an American newspaperman that Arévalo was a communist and thus unworthy of the presidency—an indiscreet remark which made it appear that the United States government was officially opposed to the ex-president.³ (Bell's opinion of Arévalo, shared by many, was perhaps a personal reaction to the damaging stereotype of the United States contained in Arévalo's post-1954 writings. At that time, frustrated and embittered by the United States role in the downfall of Arbenz, Arévalo composed his now famous book, *The Shark and the Sardines*, which has been read by millions of Latin Americans.⁴ Reacting emotionally, many Americans have found it difficult to forgive Arévalo, especially since Fidel Castro has gone out of his way to propagate the notion of the northern shark gobbling Latin American sardines at will.)

The announcement, therefore, of Arévalo's impending return thoroughly charged the political atmosphere in Guatemala. And the

³ *Hispanic Report*, XVI, No. 3 (May, 1963), 239. Campbell Bruce published the interview with Ambassador Bell in the *San Francisco Chronicle*.

⁴ This work also appears in an English edition (New York: Lyle Stuart, 1961).

political situation was such that it appeared that Arévalo would be an easy victor in the elections if he were allowed to run. But Ydígoras and the military had no intention of permitting this. Reneging on an earlier promise, Ydígoras announced on March 21, 1963, that Arévalo would not be allowed to cross the border since he was a known communist, the government having in its possession his "Communist Party card number."⁵ Then the fireworks started. The supreme court ruled in favor of Arévalo's return; the anticommunists demonstrated against the court's ruling; students and other supporters of Arévalo counterdemonstrated; and two separate bands of rebels began to attack army installations in northern and eastern Guatemala. With law and order breaking down, Ydígoras declared a state of siege on March 25, and the army went into action with a vengeance. Six days afterwards, Arévalo was allowed to appear briefly in Guatemala City, thus providing Peralta with an excuse to take over the government.

OPERATION HONESTY

So it was that the government of President Miguel Ydígoras Fuentes gave way to the military on March 31, 1963, ushering in the three-year dictatorship of Colonel Enrique Peralta Azurdia. The ex-president then remarked at his first stop in exile: "What is going on in Guatemala is for her own good and for the good of the rest of Central America."⁶ Most observers interpreted this statement to mean that Ydígoras had encouraged the coup of his former minister of defense. Indeed, the evidence appears to support this contention. As time passed, however, and to gain popularity with the people, Peralta found it expedient to dissociate himself completely from the ex-government. Graft and corruption became the official justification for the ouster; even Ydígoras was charged with

having taken more than ten million dollars from the government coffers.⁷ "Operation Honesty" thus came to be the major slogan of the *de facto* government.

By and large, the Peralta dictatorship provided a relatively efficient government with a creditable record of financial responsibility. Thanks to better prices for coffee, sugar and other exports, the economy again took an upward swing; the impetus given to industrialization by the Central American common market contributed to prosperity; and the business community—both foreign and domestic investors—gained confidence from the friendly attitude of the government. Moreover, a modified income tax was introduced thus helping the financial underpinnings of the government.

There also can be no question about the advances made by the *de facto* government in public works, education, public welfare, culture and so-called "civic action." Despite allegations of its apolitical nature, in the 1966 elections the Peralta regime paid for page-size ads to publicize its achievements.⁸

With some allowance for exaggeration, there is no reason to question the claims listed. Any impartial observer can see that many bridges were constructed; that "Operational School" proved highly successful; that the government carried out valuable surveys of the Petén, the potentially rich and underpopulated northern district, hitherto only accessible by airplane; that scores of books and pamphlets on sundry topics were published at government expense; that new hospitals were constructed; that more potable water was made available; that significant university reforms were introduced; and that other positive measures were taken to improve the lot of the Guatemalan people. It goes without saying that much more needs to be done.

The military regime also cooperated in the move to form the Central American common market which, as noted, was largely responsible for the boom. The idea of Central American union dates back to the early nineteenth century; but for one reason or another—political rivalries, aspirations and

⁵ *Hispanic Report*, XVI, No. 3 (May, 1963), 237.

⁶ *Hispanic Report* (Stanford University), XVI, No. 4 (June, 1963), 335.

⁷ *Ibid.*, XVII No. 2 (April, 1964), 118.

⁸ *Prensa Libre* (Guatemala City), March 10, 1966.

animosities—union failed.⁹ By emphasizing economic rather than political union, the present movement, which began in the 1950's, has progressed satisfactorily in the industrial sphere; less so in the agricultural sector. According to the General Treaty of Central American Economic Integration (December 3, 1960), the objective is to form a thorough common market within six years. The record thus far has been impressive; fiscal responsibility has characterized the effort; and Central American regional trade has tripled and even quadrupled.¹⁰

In contrast to the historical precedent, the Church's position has improved steadily since the downfall of Arbenz. During the nineteenth century, because the Church sided politically with the conservatives, the liberals punished it severely by confiscating properties, expelling many orders, and inviting Protestant sects to carry on missionary work in Guatemala.¹¹ Under the leadership of Archbishop Mariano Rossell Arellano, who died on December 10, 1964, the Church took a definite anticommunist position, thus antagonizing many revolutionaries. When Arbenz fell, however, President Carlos Castillo Armas (1954–1957) reversed the traditional policy of anticlericalism. His conservative party, the M.L.N. (*Movimiento de Liberación Nacional*), has consistently favored the restoration of the Church's position in Guatemalan life. In the recent constituent assembly, for example, legislation was passed restoring the Church's title to property being used for religious purposes. Moreover, under Archbishop Mario Casariego, a native-born Spaniard, the Church has emphasized its determination to be apolitical, thus precluding revival of the Church-State controversy.

PSEUDO-CONSTITUTIONALISM

That the substantial material progress of the military regime was at the expense of genuine representative government no serious student of contemporary Guatemala can deny. For the first year, Peralta continued Ydígoras' state of siege, throwing out the 1956 constitution and ruling by decree. The fact that many of the decrees were enlightened—the military wanted to win the support of labor and other leftists—does not alter the verdict. To satisfy the Alliance for Progress requirement of constitutionality and to honor a vague promise to the Lyndon Johnson administration, Colonel Peralta permitted elections to select deputies for the constituent assembly in March, 1964. In the context of a state of siege, of course, those elections proved to be a farce. Only the P.R. and the M.L.N. had the requisite membership to participate. Each party was allowed to choose ten candidates; the military government selected the rest. The constituent assembly that convened on July 6, 1964, was thus overwhelmingly pro-military and more conservative than liberal, with the M.L.N. predominating. Yet, to the regime's credit, there were delegates representing all national sectors, including labor. Not all members of the P.R. favored participation in Peralta's pseudo-constitutional system; but Mario Méndez Montenegro, their leader and the brother of the present president, felt it expedient to go along with the new body in order to prevent a wholesale submission to the military. Events have proven the wisdom of this decision. The P.R. is now the party in power.

Guatemalans welcomed the return to some semblance of constitutional government. Unmuzzled in April, 1964, the press and radio openly discussed the pros and cons of the various issues being raised in the assembly. The M.L.N. pushed conservative measures and private-enterprise legislation at every turn, keeping on friendly terms with the military leadership; on other occasions, the spokesmen for labor advocated a share-the-profits bill that brought a spirited reaction from the associations of landowners and businessmen. In late December, 1964, a

⁹ Thomas L. Karnes, *The Failure of Union: Central America, 1824–1960* (Chapel Hill: University of North Carolina Press, 1961), traces and evaluates the many attempts at union.

¹⁰ Sheldon L. Schreiber, "The United States Private Investor and the Central American Common Market," in *Latin American Development and Western Hemisphere Trade* (Washington, D. C.: U. S. Government publication, 1965), pp. 260–292.

¹¹ Mary P. Holleran, *Church and State in Guatemala* (New York: Columbia University Press, 1949), is the standard authority on this subject.

heated argument developed when the M.L.N. and others tried to restrict the autonomy of the Social Security Institute by putting it under the authority of a minister. In blistering paid editorials, the labor unions and their sympathizers left no doubt that they would resist violently any attempt to undermine social security reforms. The dispute was still seething on February 24, 1965, when Peralta imposed a second state of siege.

The fact is that the military could not cope with an open or free political system, however limited. Time and time again, editorialists and commentators were brought in to be reprimanded for statements they had made against the Peralta regime; radio stations were often silenced for presumably distorting the news; and the military treated students harshly. In all cases, the legal pretext used for punishing offenders was that there had been a violation of such-and-such a decree passed during the first year of the dictatorship.

Francisco Villagrán Kramer, a young man in his late thirties and who will undoubtedly play a key role in Guatemala's future, especially annoyed the authorities with his writings and talks. A popular professor at the University of San Carlos in Guatemala City, Villagrán, whose appeal to his countrymen resembles closely that of Arévalo, is a theoretical socialist whose party—the *Unión Revolucionaria Democrática* (U.R.D.)—believes in an aggressive implementation of the October Revolution within a democratic structure. As a result, the military considered him especially dangerous when his learned disquisitions pointed to the illegality of the regime's acts. In early February, 1965, when the U.R.D. questioned the fiscal policies of the Peralta government—the holiest of all cows—the colonels decided in favor of the second state of siege, and Villagrán had to go into exile.

As indicated earlier, the military was not so apolitical as it pretended to be. The formation of the P.I.D. (*Partido Institucional*

Democrático) revealed this to most Guatemalans. In addition to the page-size ad already mentioned, there were feelers in the press to the effect that members of the *de facto* government should be eligible for political office. The democratic element responded negatively. Then, after the second state of siege was called, sycophants of the military passed article 174 which made it possible for military men to run for the presidency. At this point P.R. delegates drew their line; and, on April 29, 1965, walked out of the assembly. For months, the P.R. resisted all attempts to lure its delegates back to the assembly. With the tragic death of Mario Méndez Montenegro on October 31, 1965—officially listed a suicide, but claimed by many a political murder—the P.R. leadership decided to participate in the coming election, running Mario's brother for the presidency and the outspoken editor of *La Hora*, Clemente Marroquín Rojas, for the vice-presidency.

TERRORISM: REALITY AND RUSE

Terrorism was presumably the justification for the various states of siege called by the military. With the suspension of individual guarantees, the military could root out the terrorists with greater ease, or so the argument ran. As suggested above, political considerations were perhaps far more significant. Even Colonel Peralta frequently minimized the importance of such terrorists leaders as Marco Antonio Yon Sosa and Luis Augusto Turcios Lima, young army officers who incidentally had received some of their training in the United States. Given the rugged nature of Guatemala's terrain in the eastern sector, as well as the willingness of the peasants to protect and help them, the terrorists have been able to escape or avoid the army columns sent after them. However, it is doubtful that their celebrated propaganda methods have been effective in the indoctrination of the peasantry.¹² The terrorists have been far more effective in Guatemala City, where they have been a nuisance with their hit-and-run attacks on military men, army installations and United States centers. They

¹² Alan Howard, "With the Guerrillas in Guatemala," *The New York Times*, June 26, 1966.

have also kidnapped businessmen and governmental officials for ransom or as hostages for leftist prisoners. In fact, the latter was the basis for Peralta's final state of siege, called after the March elections.

With all the careful political preparations and promises to political elements, the military was unable to win the elections held on March 4, 1966. Both the M.L.N. and the P.I.D. ran colonels for the presidency; but their unwillingness to join forces gave the victory to the moderate left, or the P.R. Not having a clear majority, however, the final decision for the presidency was left to the incoming congress. Fortunately, the politicians decided to follow the electoral results, thus sparing their country further bloodshed. Colonel Peralta ended his rule by scrupulously keeping his word; on July 1, 1966, he turned over the government to his civilian successor.

CONTINUING REVOLUTION

The October Revolution has been fairly well institutionalized in Guatemala despite the bitter resistance of "traditional" forces. Rightist leaders, who have dominated Guatemala's governments since 1954, have not been able to wipe out the reforms and programs started by Arévalo and Arbenz. Labor's right to organize cannot be changed, nor can the Social Security Institute (I.G.S.S.) be discarded. The Institute for the Development of Production (I.N.F.O.P.) is a going concern in Guatemala's efforts to diversify her economy and to promote industrialization.

However, ironically, the economic progress envisioned by the planners of the October Revolution has largely taken place under the leadership of the right, thanks in great part to the financial support and strong influence of the United States government. The economic infrastructure has been improved dramatically—with highways to both coasts, an adequate air network and the construction of new harbors such as Matías de Gálvez on the Atlantic. And, with the establish-

ment of the Central American common market in 1960, the industrialization of Guatemala has advanced at a fast pace.

Guatemala's economic weakness still lies in her low level of agricultural productivity, a problem which entails reforms in the land tenure system. Hoping to solve these difficulties, Colonel Arbenz passed the controversial agrarian law of June 17, 1952, which antagonized large landowners and the all-important United Fruit Company. Largely because of this law, its political orientation, and the fact that the powerful landed families of Guatemala had no say in the program, Arbenz fell from power. Agrarian reform since 1954 has been more responsible and, in a technical sense—the training of experts, the selection of colonists—has been much more successful than under Arévalo and Arbenz.¹³ But the landed oligarchy has continually resisted any truly effective agrarian program, hastening to call anyone a communist who suggests real reforms. President Méndez Montenegro has recently returned to settlers some of the national lands that had been granted them in the earlier revolutionary period. It is doubtful that he can do much more without meeting the fierce resistance of the right; and, in that event, the military may perhaps side with the landowners in order to keep the peace.

Many Guatemalans—and not just the wild-eyed left—blamed the United States for the Peralta dictatorship. President Lyndon B. Johnson's recognition of the regime gave it life, and subsequent United States collabo-

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¹³ For an excellent discussion of agrarian reform in Guatemala during the various administrations since 1944, see Nathan L. Whetten, *Guatemala—The Land and the People* (New Haven: Yale University Press, 1961).

As this author evaluates Mexico's interrelated economic and political problems, he notes that: "It may well be that, as a consequence of a combination of political expediency and economic necessity, sufficient support for a renewed search for solutions to the country's agricultural problems will be forthcoming. . . ."

Mexico's Economy: A New Stage

By DWIGHT S. BROTHERS

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JUDGED BY ANY STANDARD, the Mexican record of economic achievement over the past several decades is impressive. Mexico is one of the very few poorer countries of the world which has made much progress in narrowing the differential between its own economic circumstances and those prevailing in the advanced industrial countries. Certainly the Mexican record of sustained growth stands apart from the erratic and generally poor performance of most other Latin American economies. But, while some commentators have dubbed the past 20 or 25 years of rapid and sustained economic growth "the Mexican Miracle," clearly nothing miraculous has occurred. On the contrary, the record is readily explainable in terms of the country's physical and human resources, its proximity to the United States, and the nature of the policies and institutions which have been consciously devised to guide the development process.

During the years since 1950, Mexico's gross national product has increased at an average annual rate of slightly more than six per cent. Since the rate of population increase has been somewhat in excess of three per cent, per capita income is estimated to have increased on the average by about three per cent each year over the period. Slightly higher growth rates prevailed during the 1940's, so that over an extended period the wondrous power of compound interest has

served to augment the nation's income and wealth cumulatively from the low levels prevailing at the end of the 1930's.

The main factors in this impressive record are the dynamic growth achieved in the industrial sector, a regular (although gradual) increase in agricultural productivity, a sufficiently high rate of savings and capital formation, and a relatively strong balance of international payments. Also of considerable importance has been a capacity for sufficient flexibility in Mexico's productive structure to meet the changing domestic and external market conditions. Each of these favorable factors was itself the product (in some degree at least) of governmental initiatives intended to facilitate and guide the development process. Therefore, in order to understand the process, it is necessary to have some familiarity with the overall development strategy and the mechanics of certain key policies.

DEVELOPMENT POLICIES

The basic objective has been industrialization, and to this end principal reliance has been placed on techniques for substituting domestic for foreign sources of locally-used manufactures—principally tariff protection and import licensing. The import substitution strategy—pursued in association with public expenditure programs directed toward provision of an industry-supporting infra-

structure and with appropriately structured tax incentives and credit support—has proven to be highly effective in promoting industrial investment both by nationals and by foreigners. Partly as a cause and partly as a consequence of the industrialization process, an indigenous entrepreneurial and managerial leadership has emerged which (by reason of technical competence and political influence) is destined to direct the future course of industrialization and to exercise considerable control over the development process as a whole.

Of longer standing than the import substitution strategy is the Mexican program of agricultural development which was initiated in the 1920's and was the main focus of governmental attention during the 1930's. Although the agricultural program has continued basically unchanged, supplemented only by occasional new initiatives addressed to specific situations, industrial development has been accorded the highest priority since the early 1940's. Redistribution of agricultural lands has been continued in the Cárdenas¹ tradition; the area under irrigation has been continually extended; additional resources have from time to time been directed to agricultural experiment stations and credit institutions—but without evidence of either strong commitment or clear rationale on the part of the government.

Indeed, both economic theory and empirical fact indicate that the industrialization which has occurred has been largely at the expense of the agricultural population—especially the large numbers engaged in traditional, subsistence farming. In brief, a large segment of the agricultural population has not participated in the benefits of the development process; instead, the agricultural sector has been forced to support investment in industry. Nevertheless, agricultural production has increased (especially on the more progressive and commercially-oriented farms), keeping pace with growth in domestic food and fiber requirements while continuing

to provide exportable surpluses of those commodities for which foreign markets exist. And, of great significance for the future, there is emerging (for reasons to be elaborated below) a new, closer relationship between the requirements for accelerated agricultural productivity and those for further rapid industrial growth. Recognition of the increasing degree of interrelatedness between agricultural and industrial development (and of associated political implications) seems likely to result in renewed emphasis on the problems of agriculture in the years ahead.

The third major group of governmental policies underlying Mexican economic development has been directed to the various financial problems. While the main focus of both monetary and fiscal policies has been on growth promotion, the priority accorded financial stability (encompassing both domestic price stability and balance-of-payments equilibrium) has been higher since the mid-1950's than formerly. Indeed, since the second post-World War II devaluation of the peso in April, 1954, and the ensuing 18 to 24 months of inflationary repercussions in domestic markets, a remarkable degree of price stability has been maintained. As a result, confidence in the strength of the peso has been firmly reestablished. Principal reliance has been placed on monetary restraint and credit rationing in support of the stabilization program, although there also has been some direct governmental intervention in price and wage determination. While the ability to maintain exchange rate stability has depended fundamentally on the success of anti-inflationary policies, it also has been strongly assisted by controls exercised over imports, the growing volume of foreign exchange receipts from commodity exports and (especially) tourism, and by occasional heavy dependence on external borrowing.

Another basic objective of financial policy—in addition to that of assuring price and exchange rate stability—has been mobilization of a sufficient volume of domestic savings (as supplemented by occasional reliance on foreign sources) to finance the desired level of investment expenditures in both the public

¹ General Lázaro Cárdenas was president of Mexico from 1934 to 1940.

and private sectors of the economy. Closely related to the savings objective, of course, has been the necessity of devising means for directing available investable resources into activities with relatively high productivity potentials and with low destabilizing tendencies. While the details have changed with time, the technique employed for these purposes has been the maintenance of a generally high structure of interest rates by means of quantitative restriction of the money supply in combination with a flexible system of selective controls over loanable funds.

The main weakness of Mexico's financial system has been and continues to be an outdated tax structure combined with inadequate central control over the financial affairs of semiautonomous public enterprises which, either directly or indirectly, are generally supported in some degree by public funds. The savings potential of the country is undermined not only because of the relatively low level of taxation but also because the tax rate is not sufficiently progressive to limit luxury consumption. As a consequence, tax revenues are inadequate to finance public sector investment expenditures, and excessive strain is occasionally introduced into domestic financial markets and on Mexico's foreign debt servicing capacity. These deficiencies have been overcome to some extent during the past several years by upward revision of tax rates, improved tax administration, and more effective control over the budgeting of public enterprise expenditures. Nevertheless, it is widely recognized by Mexican and foreign experts alike that further reform of the fiscal system is imperative—in spite of the strong political resistance.

NEW PROBLEMS AND ALTERNATIVES

The process of economic development outlined appears to have entered a new stage in which it will no longer be possible to rely on the same basic development strategy and on the battery of specific development policies which have to date yielded such impressive results. Two basic and serious limitations have been evident for some time. The first of these is the incompatibility of the prevailing

pattern of income distribution with the continuation of the past rate of industrial expansion and perhaps with continued political stability as well. A large proportion of the population—mainly those engaged in traditional, subsistence agriculture and those who have migrated to urban centers but who are unable to command more than subsistence-level wages—has shared little in the recent material improvement in Mexico. This, of course, is not a new situation—and indeed, as already indicated, the low purchasing power of a large segment of the population has probably facilitated the industrialization process by permitting a higher rate of domestic savings and capital formation than otherwise would have been attainable.

However, for many industries, the size of the domestic market rather than a shortage of domestic savings is the more important restraint on further investment in productive capacity. This is attributable to the fact that once the demand created by tariffs and other import restrictions is satisfied by domestic production, the growth rate of an industry is necessarily limited to the rate of growth of domestic purchasing power—unless a sufficiently high degree of productive efficiency has been achieved during the course of filling the domestic vacuum to permit establishment of an export capability. Generally speaking, Mexican industry has not achieved sufficient efficiency to compete in international markets. Consequently, the growth of most individual industries—and therefore that of the industrial sector as a whole—is limited by the narrowness of the domestic market. Furthermore, unless the domestic market can be substantially broadened so that the full measure of large-scale production economies can be realized, there is reason to doubt that Mexican industries will ever be able to compete effectively in international markets.

The second basic limitation on the industrialization process—the limitation imposed by inefficient resource allocation and utilization—is obviously closely related to the narrowness of the market. The efficiency problem encompasses numerous other issues, however, such as establishment of a more

appropriate division of activities between the public and private sectors and of more suitable incentives for productive utilization of the resources allocated to these sectors. Obviously, the quality of public administration can only be improved by political means; the many improvements that might be made (ranging from rationalization of over-extended bureaucracies to techniques for detecting and dealing with incompetence and corruption) await leadership which can only be exercised from the top of the power pyramid. Much of the inefficiency in the private sector can also be traced either to ill-conceived public policies or to poor public administration—particularly with respect to import control, tax and credit policy and foreign investment. Finally, the efficiency rating of private enterprises could undoubtedly be improved by encouragement of more vigorous competition within the private sector.

All nations, whatever their stage of development, must search for possible improvement in income distribution and resource allocation—problems in these areas are certainly not uniquely Mexican. If there is anything unique about contemporary Mexican circumstances, it is that both the need and the opportunity for taking advantage of the potential gains are so obvious.

INDUSTRY AND AGRICULTURE

As indicated earlier, the development process in Mexico has entered a new stage which calls for different policies from those of the past. The best example is import substitution industrialization. This development policy appears to be approaching bankruptcy not only because the growth of many established industries is limited by growth of domestic purchasing power but also because possibilities for establishing new import substituting industries are limited. Indeed, the vast majority of imports are raw materials and producer goods required to supply those industries already established. Just what proportion of current imports could conceivably be produced in Mexico is a matter for conjecture, but what does seem clear is that the initial and continuing foreign exchange

burden imposed by most additional import substituting industries would be heavy. Furthermore, for most such industries the possibility of achieving a tolerable level of efficiency (as measured by international standards) would be very remote. Equally important, the difficulties confronted by established industries in their efforts to develop export capabilities are further compounded each time another high-cost domestically-produced input must be substituted for a similar or better product obtainable at lower cost in the international market.

Ultimately, of course, if Mexico is to succeed as an industrialized country, it must export manufactured products in substantial volume and in competition with other industrialized countries.

To establish such a capability requires a higher degree of efficiency in the industrial sector—unless, that is, the languishing Latin American Free Trade Area (LAFTA) eventually provides an escape in the form of a protected continent-wide market for Mexican manufactures or unless preferential access to the United States market—as urged by Mexico in the United Nations Conference on Trade and Development (UNCTAD)—becomes a reality. Both of these possibilities appear to be fairly remote, and in any case are dependent on the vagaries of international politics and other imponderables over which Mexico cannot exercise much control. Consequently, pending the outcome of the LAFTA and UNCTAD initiatives, Mexico must concentrate on available self-help measures.

Broadly speaking, there appear to be three ways to induce a higher degree of industrial efficiency in Mexico. The first of these would involve overhaul of the established pattern of protection and, in particular, would require governmental pressure on those industries judged to be recipients of excessive or excessively-prolonged protection. During recent months several official pronouncements have suggested that actions along these lines are under consideration. But political limitations on governmental use of foreign competition to coerce domestic producers to higher

performance standards are such that not much can be expected. A second approach would require full review of the many governmental policies impinging on matters relating to industrial production costs, to try to encourage greater efficiency. Apart from the political and administrative difficulties involved in this procedure, there is danger of industrial inefficiencies being concealed under additional governmental subsidies.

The third possibility, of course, would be to broaden the domestic market for manufactured goods, thereby facilitating fuller utilization of industrial capacity and permitting realization of greater economies of scale. It is at this juncture that the problems of industrialization, agricultural development, income distribution, and resource allocation are joined. To achieve a substantial broadening of the domestic market for manufactured goods, the subsistence-level rural population must somehow achieve greater purchasing power. For both economic and political reasons, this cannot be achieved through transfer of income from other segments of the population, but must be the result of increased productivity from those employed in traditional agriculture. Thus it appears that the difficulty into which the import substitution program has fallen provides a new and compelling reason to increase agricultural productivity. In addition to the domestic market issue, greater agricultural productivity would lower food and raw material costs which, in turn, would help industry achieve lower production costs. Therefore, both political and industrial leaders are now supporting efforts to develop programs directed toward increased agricultural productivity and purchasing power.

It is not easy to achieve substantial increases in agricultural production—particularly in the short run. Indeed, Mexico is confronted with some especially difficult problems in this connection. It faces inhospitable terrain and climatic conditions; the possibility of further extension of the area under cultiva-

tion is limited. There are also numerous institutional barriers (especially the *ejido*² and related uncertainties of land tenure) and basic infrastructure deficiencies. In addition, there is the immediate and fundamental difficulty of locating the necessary capital. Not that highly capital-intensive techniques of production should be encouraged—the shortage of capital and the abundance of labor obviously dictate against this. But nevertheless, massive investment expenditures are required for roads and irrigation systems, machinery and storage facilities, conservation and rehabilitation programs, and educational and research institutions. Only a small part of the necessary investment expenditures can be directly financed by agriculture; thus, a substantial flow of savings originating in other sectors of the economy or abroad must be channeled to the agricultural sector—whether through the fiscal system, by revision of the internal terms of trade in favor of agriculture, or by foreign borrowing.

It is important to note that neither inflation nor tariff protection (both of which have served to assist capital formation in the industrial sector) can support capital formation in the agricultural sector. Nor does much help from foreign sources seem likely, given the barriers to private foreign investment in agricultural ventures and the fact that Mexi-

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² The *ejido* is a system of communal land tenure in Mexico.

Summing up the situation in Haiti, which suffers under a cruel dictatorship, this specialist notes that: "... opponents of the regime in Haiti are counting on action from the exiled opposition, while the exiles are waiting for open revolt from inside Haiti." Despite the difficulties involved, he feels that "... the Haitians themselves must bear the responsibility for organizing ... resistance to Duvalier's rule, and ... the task of planning its long-term economic and social development."

Tyranny in Haiti

By GÉRARD R. LATORTUE

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... For a long time now misery has been identified with the Haitian people; this is an image that must be destroyed. ... My Government of National Unity will be a Government ... which will reconcile the Nation with itself.

THIS is the message François Duvalier brought to the Haitian people in his first address to the nation after he assumed office as the president of Haiti on October 22, 1957.

Nine years later we find that, instead of a government of reconciliation, Duvalier's regime is one of the most oppressive and tyrannical in the history of Haiti. Instead of reconciliation, there is even more division in Haitian society: division among the different social segments,¹ within the segments them-

selves, and within almost every family. Instead of ending the misery of the Haitian people, mismanagement of Haiti's economy has provoked a steady deterioration of the economic situation.² Clearly, the promises of reconciliation, peace and prosperity have not been kept. But despite this failure, and the various attempts to overthrow his regime, Duvalier is still in power and plans to stay for life.

Of course, the elections which won the presidency for Duvalier in 1957 were rigged. He was opposed by the bourgeoisie of Port-au-Prince, the capital, who had been very active in politics³ and traditionally had denied political opportunity to the middle and lower classes of the provinces as well as to the peasantry. Nonetheless, he was the candidate who gathered the largest popular support, largely from the politically deprived groups who saw a chance to attain national recognition at last.

Once in power, Duvalier did "give" some of the representatives of the lower classes national recognition and the feeling of Haitian citizenship. Disregarding all question of competence, he offered them posts in his cabinet, in the regular armed forces, in his militia,⁴ in the foreign service, in the clergy and generally in all levels of the public adminis-

¹ For an understanding of the class structure and class conflict in Haitian society see Roland Wingfield, *Haiti: A Case Study of an Underdeveloped Area* (Baton Rouge: Louisiana State University Press, Ph.D. dissertation, 1965).

² For pertinent statistical information, see the appendix following this article.

³ The excessive political control of the bourgeoisie of Port-au-Prince over the affairs of the nation is considered by many scholars as a legacy of the system established by the American occupation (1915-1934).

⁴ The possession of a gun and the right to kill given with it—instead of wages—are the usual official benefits granted to the militiamen, the *tonton-macoutes*.

tration. This policy made Duvalier, at least during the first three years of his government, the most popular and perhaps the strongest president of Haiti in the last 25 years.

But once the need for recognition was superficially satisfied, other needs arose, such as improvement in living conditions. Duvalier proved incapable of long-term action to meet these needs. The consequence was a gradual disenchantment among his first followers. A growing number of qualified and skilled Haitians left Haiti voluntarily or were forced into exile. Duvalier thus lost an opportunity to use technicians and other professional people who might have helped him. Faced with this situation, he relied increasingly on terror and tyranny. Terror calls for more terror; and more terror calls for increased corruption. Thus terror and corruption became the sole methods of government.

Thanks to these methods, enforced by hordes of *tonton-macoutes* who "terrorize all aspects of Haiti's life,"⁵ Duvalier today is as strong as ever—in the sense that neither internal revolt nor an invasion of exiles seems able to overthrow him. Furthermore, mistrust among Haitians, caused by the fear of retaliation against relatives and friends, makes all plotting against Duvalier very difficult.

Duvalier is therefore strong, but not popular. Most of the middle and lower classes of the provinces and most of the peasants have withdrawn their willing and active support. His actual supporters now are found among the opportunists of the capital who cannot live without power; those who have become wealthy from the corruption of his regime; those who have committed so many crimes that their lives are linked to the life of the regime,⁶ and, finally, the very few who

still believe in Duvalier's 1957 campaign promises. These latter recognize Duvalier's failure but attribute it mainly to what they call the "international conspiracy against Duvalier's regime," which they see as the "only Negro republic in this hemisphere."

Thus, Duvalier controls the political situation by maintaining a tension of great fear in every Haitian—even his *tonton-macoutes* are not exempt—and by encouraging bitter rivalry among his friends and supporters. He may stay strong, despite his incompetence and his inconsistencies, so long as there are no better alternatives to his rule.

ALTERNATIVES TO DUVALIER

The suggested alternatives to Duvalier's rule are of two kinds, depending on whether they originate in Haiti or from the exiles abroad. The opposition within Haiti cannot openly call on nationalism and patriotism to mobilize the masses against a government which in many aspects acts like a foreign occupation force. Under these circumstances, there are in Haiti almost no alternatives besides a coup d'état—palace revolution style—or a general revolt.

The possibility of a coup d'état has been mentioned on various occasions. However, it is very unlikely. The regular army, which in the past would have been the instrument of such a coup, has been systematically and purposely disorganized by Duvalier and does not seem to represent any serious threat to his dictatorship. Furthermore, an analysis of 56 successful insurrections in 20 Latin American countries during the period from 1935 to 1964 appears to confirm the fact that military intervention in Latin America is increasingly directed against legally elected presidents heading constitutional regimes rather than against *de facto* governments, or cruel tyrants.⁷ (Nevertheless one should not rule out the possibility that a young Duvalierist army officer or high ranking civil servant—greedy and impatient for power, and relying on national and international public opinion—might stage a personal coup.⁸)

Certainly, fear and mistrust among Haitians and lack of proper communications and

⁵ See John Gerassi in *The Great Fear in Latin America* (New York: P. F. Collier, 1963), pp. 192–194.

⁶ To be assured of the fidelity of his closest henchmen, it is Duvalier's practice to involve them in crime.

⁷ See Martin Needler, "Political Development and Military Intervention in Latin America," *The American Political Science Review*, LX, No. 1, September, 1966, pp. 616–626.

⁸ See Al Burt, "Haiti: Alternatives to Tyranny," *The Nation*, Vol. 200, No. 1, January, 1965.

leadership would make an internal general revolt difficult. Although many Haitians are said to be willing to participate individually in a movement to overthrow Duvalier, they are nevertheless reluctant to act collectively except to help an invasion whose chances of success seem guaranteed. Again, the fear of cruel retaliation restrains them from taking any open risks.⁹ Most of them believe that the opposition abroad is in a better position to deliver them from Duvalier's tyranny.

As for the opposition abroad, it lacks the strength that comes from unity. Personal rivalry prevents lasting collaboration among the different exiled groups, which often appear more concerned with securing foreign support—be it from the United States, the Dominican Republic, Venezuela, Cuba, the U.S.S.R. or China—than with securing support within Haiti.

OPPOSITION IN EXILE

Recently, however, attempts have been made to establish a united opposition abroad. The result was the creation, in 1963, of the *Front Démocratique Unifié de Libération Nationale* (F.D.U.L.N.) and, in 1965, of the *Coalition des Forces Démocratiques Révolutionnaires Haïtiennes* (called the Coalition).

The F.D.U.L.N. was born out of agreement between two communist groups: the *Parti Populaire de Libération Nationale* (P.P.L.N.) and the *Parti d'Entente Populaire* (P.E.P.). A daily radio broadcast from Havana expresses the F.D.U.L.N.'s views and its program for Haiti. The F.D.U.L.N. considers that Duvalier's government is serving "the cause of yankee imperialism"; and advocates revolution to sweep out what it terms his fascist, anarchic and bloody regime.

Although many Haitians agree with the

F.D.U.L.N.'s theoretical analysis, they doubt that a communist-oriented government could easily be established in Haiti and wonder whether communism offers an answer to Haiti's problems. In the event of a communist take-over—even with popular approval—the United States would probably somehow intervene, perhaps for the worse. Should the United States install an ultra-conservative regime, it would once more postpone the political, economic and social changes Haiti so badly needs.

The more recently formed Coalition is composed of members of various political tendencies ranging from moderate left to center-right. They have proposed a program of national reconstruction under a representative democracy, and they stress economic development and social reforms. However, they offer no clear proposal for establishing modern political and economic institutions in Haiti.

In 1965, they organized a half-hour daily radio broadcast from New York in Creole and in French, intended for the Haitians in Haiti. This broadcast was first welcomed with great enthusiasm, but now, after more than 15 months, enthusiasm is slowly dying. There are many reasons for this. According to most reports from Haiti, the broadcast is more critical of Duvalier (sometimes in a very conservative way) than it is suggestive of possible and better alternatives.

Some observers see the members of the Coalition as "Haitians who are now working intelligently to prepare for the collapse of the Duvalier government and . . . as a base of leadership from which a *government provisoire* can be formed."¹⁰ Others consider it a voice of the past—a better past—but one to which they do not desire to return.

Besides these two groups, some young technicians, scholars, professionals and students have tried to organize a new opposition whose main objective is to initiate social and economic reforms in Haiti in order to offer equal opportunities to all Haitians and to destroy the still feudal structure of Haitian society.¹¹ One must also mention certain political figures exiled in various countries, each thinking he

⁹ In some instances, on the slightest suspicion of plotting, Duvalier has had his militiamen strike whole families, not even sparing children in their cribs or household servants.

¹⁰ Robert Debs Heinl, Jr., "Are We Ready to Intervene in Haiti?" *The Reporter*, Vol. 34, No. 11, June 2, 1966.

¹¹ Gérard R. Latortue, *Feudal Haiti: Caribbean Crisis* (San German: Caribbean Institute and Study Center for Latin America, Inter American University of Puerto Rico, 1966), pp. 48-52.

is the only better alternative to Duvalier. But these exiles have only a few followers.

To sum up the situation: opponents of the regime in Haiti are counting on action from the exiled opposition, while the exiles are waiting for open revolt from inside Haiti. In these circumstances, one may ask whether there is a role for the United States or for the Organization of American States (O.A.S.).

Traditionally, the attitude of United States officials toward Haiti has been one of indifference. However, since Cuba's Fidel Castro turned to communism, the United States has become more concerned about Haiti, fearing communist infiltration there which in turn could easily spread to the Dominican Republic. However, the United States now seems to be in a quandary. On the one hand, it does not want to be involved in any open fight against Duvalier, because he does not—in the eyes of the Lyndon Johnson administration—represent any threat to United States interests. On the other hand, American officials know that Duvalier is the cruelest tyrant in the Caribbean, and does not represent even the superficial United States image of proper democratic leadership for this hemisphere.

Unfortunately, there is very little action the United States can take without risking new

criticism of American foreign policy. Thus, it is likely that if the United States acts, it will try to secure the consent of the O.A.S.

As for the role the O.A.S. could play in Haiti, a United States State Department researcher—besides stating that "Haiti is a nation in name only," that it is "the moral, medical and political sewer of the hemisphere," and that "other members of the O.A.S. have little affection for it"—has suggested that "the O.A.S. should be given the opportunity to accept responsibility for a post-Duvalier police function and for establishing a six-year trusteeship over a politically unviable state."¹²

Such an O.A.S. trusteeship over Haiti would have very little chance of gaining support from the Haitian people. Haitian politicians and the common people alike would undoubtedly feel frustrated if, after such a long and cruel dictatorship, they were inflicted with a trusteeship controlled by an institution whose members have little affection for, or interest in, Haiti. Very recently, a State Department officer told Colonel Heintz that "as far as most members of the O.A.S. are concerned, Haiti might as well be in Africa, or on the moon, they have no involvement."¹³ Furthermore, the O.A.S. has never proved effective in solving any Latin American crisis.¹⁴

In conclusion, the Haitians themselves must bear the responsibility for organizing passive or active resistance to Duvalier's rule, and must themselves take on the task of planning its long-term economic and social development. It is true that until now the ruling classes in Haiti have failed to accept their responsibilities. But this is the failure of a small group of Haitians, not the failure of Haiti as a nation.¹⁵

Any new Haitian concept of responsibility should emphasize the economic and social needs of the Haitian masses, urban and rural; the formation of political parties geared to the overthrow of Duvalier; and the subsequent establishment of a "workable" democracy committed to long-range economic planning.

In the event that Duvalier is overthrown,

¹² This view was expressed by Paul Sakwa, in "Haiti: A Possible Course of Action," a memorandum dated September 20, 1963, and drafted for the Bureau of Intelligence and Research, Department of State (Washington, D.C.). The memorandum did not receive a formal security clearance and expresses only the views of its author. It is nevertheless significant, for it shows the thinking of one State Department researcher.

¹³ Heintz, *op. cit.*

¹⁴ Many Haitians share the view expressed by the Haitian government which argues that "Haiti, French by culture and racially African, could only in a geographical sense be termed American," an argument expressed when Haiti attempted to take the 1965 conflict between Haiti and the Dominican Republic from the O.A.S. level to that of the U.N. For the opinion of some sectors of the Haitian opposition on the subject of the O.A.S.; see Gérard R. Latortue, "Crisis in Haiti," *San Juan Review*, Vol. 13, No. 2, March, 1966; "Discriminatory Policies OAS-Cuba-Haiti," *Jeune Haiti*, Vol. 1, No. 4, March, 1965; Paul Verna, "La trahison de L'OEAS," *Haiti Libre*, No. 4, December, 1964.

¹⁵ When the so-called "elites" (black as well as mulattoes) enjoyed power, they used it for themselves, their relatives and their friends, ignoring the masses and their fundamental needs. Duvalier and his cliques offer no exception to this view of power.

it is to be hoped that the international community will cooperate in the reconstruction of Haiti, preferably through the United Nations, since even the total mobilization of Haitian human and natural resources will not be sufficient to achieve the necessary economic, social and administrative reforms. To inaugurate these reforms, finally, a strong

government—but not a dictatorship—will continue to be essential in Haiti.

Gérard R. Latortue, a Haitian exile, is the author of *Feudal Haiti: Caribbean Crisis* (San German: Inter American University of Puerto Rico, 1966), and of numerous articles on the subject of Haiti and its future.

THE HAITIAN ECONOMY: AN APPENDIX

[A] IMPORTS, EXPORTS, TOURISM AND INVESTMENT REVENUES†

	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65
Imports	202.0	164.38	185.85	180.07	141.45	140.74
Tourism	—	36.3	22.8	0.5	-3.6	-12.0
Exports	190.6	151.75	204.16	216.06	136.6	146.90
Revenues from Invest- ments	—	-16.7	-30.4	-23.6	-31.1	-25.8

† In millions of gourdes (\$1 U.S. = 5 gourdes) and for fiscal year October 1–September 30. Sources: International Monetary Fund (I.M.F.), the Inter-American Committee for the Alliance for Progress (C.I.A.P.), National Bank of Haiti.

[B] VOLUME AND VALUE OF PRINCIPAL EXPORTS

(value in millions of dollars; volume in millions of kilos)

		1960	1961	1962	1963	1964	1965
Coffee	{Vol:	28.8	16.7	32.6	26.4	22.5	22.7
	{Val:	20.6	12.1	20.7	16.8	17.6	19.3
Sisal	{Vol:	24.3	19.6	13.3	18.5	17.2	14.1
	{Val:	4.4	3.3	2.3	3.8	3.8	2.4
Sugar	{Vol:	31.5	40.7	18.8	52.7	14.7	23.1
	{Val:	3.6	4.5	1.7	5.4	2.0	2.4

Sources: I.M.F. and National Bank of Haiti.

[C] INTERNATIONAL RESERVES

The diminution of Haitian reserves in gold and foreign currency has been steady from 1960 to 1965. From a surplus of \$900 thousand in 1960, there was at the end of 1965 a deficit of \$11.3 million.

[D] MISCELLANEOUS*

1. In 1950, the industrial sector accounted

for 11 per cent of the GNP; in 1965, it accounted only for 12 per cent.

2. From 1962 to 1965, the production of cotton textiles decreased by 30 per cent and fell to 3,500,000 yards. The production of cotton itself fell from 6,100 tons in 1955 to 4,400 tons in 1965.

3. The production of sisal fell from 26,600 tons in 1955 to 18,300 tons in 1965.

4. The production of rice fell from 44,000 tons in 1955 to 36,000 tons in 1965.

* Sources: O.A.S., E.C.L.A. (Economic Commission for Latin America), I.D.B. (Inter-American Development Bank), I.M.F. and C.I.A.P.

As this author evaluates the Cuban government, the frequent changes in Cuba's organizational base "constitute a deliberate policy of preventing the institutionalization of the revolution, which in turn can only be ascribed to Castro's inordinate love of personal power."

The Castro Regime in Cuba

By ERNST HALPERIN

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MOVING LEFTWARD from political reform to social upheaval, the Cuban revolution has followed the familiar pattern of the French and Russian revolutions. But whereas, in France and Russia, each phase had different leaders, in Cuba one man alone has dominated.

During his two-year guerrilla war against the dictatorship of Fulgencio Batista, Fidel Castro appeared to represent that democratic spirit which is generally (though not always correctly) attributed to the middle classes. Some months after coming to power he proclaimed the Agrarian Reform Law, and observers then saw him as the incarnation of the revolutionary spirit of the peasantry. The following year came the Urban Reform Law and the nationalization of industry; the revolutionary spirit of the urban proletariat seemed in some mysterious way to have taken possession of Castro.

Whom does he represent now as the head of a party whose leadership is largely composed of military men? Perhaps the interests of the rebel army that he himself had created? But this view of Fidel Castro as a puppet successively set in motion by the spirit or the interests of different social groups does not help us to understand the Cuban revolution.

Andres Suarez—to my knowledge the first Cuban to have undertaken a serious in-depth

study of his country's revolution—points to what he terms "the administrative character of the Cuban Revolution."¹ He uses this term to indicate that all the sweeping social and political changes which have hitherto taken place in the course of the revolution were decreed by Castro himself without previous signs of popular pressure, and usually with a minimum of propagandistic preparation. Castro's supporters applauded each revolutionary measure, but they did so as loyal followers, not as active revolutionaries with urgent demands. Any spontaneous demonstrations were "counter-revolutionary"; that is, they were directed against government measures and their negative effects.

Thus, it was not pressure from below that pushed Castro to the communization of Cuba, to transform a market economy to a command economy of the Soviet type. What, then, was the motivation behind his decisions?

Castro's first and fundamental decision—namely to carry the revolution further, instead of implementing his promise to hold elections and restore the democratic constitution set aside by Batista—seemed inexplicable at the time it was announced. Today, with what we know of Castro's character by analyzing his actions in the last seven years, it is no longer a mystery. Love of absolute power is his controlling passion. He will not share power or permanently delegate it even to close companions. In 1959, he could

¹ In a study soon to be published by The M.I.T. Press.

easily have had himself elected president of a democratic Cuban republic. But he would inevitably have had to share and delegate power, and he would have been restricted by constitutional provisions and legislative and judiciary institutions. By continuing the revolution he prevented the establishment of institutional controls.

The way in which the agrarian reform was implemented and Castro's various attempts to spread his revolution to other countries of the area² brought about a serious deterioration of Cuban relations with the United States. Then, toward the end of 1959, the first contacts with the Soviet Union were established. In February, 1960, Soviet Vice-Premier Anastas Mikoyan visited Havana and, in June of that year, the first arms shipments from the Soviet bloc arrived in Cuba. From that moment onward, foreign policy dictated the course of the Cuban revolution.

One must keep in mind that in 1960, the balance of power between the Soviet Union and the United States appeared a very different one from that of today. In 1960, the alleged missile gap was an important issue in the United States presidential election. The Soviet government was pressing for an Allied withdrawal from Berlin and seemed to be successfully challenging the West in Africa and southern Asia. Its military and economic aid to Cuba extended the challenge to the very doorstep of the United States.

In this situation, it was easy for a man like Castro to conclude that military supremacy had passed from the United States to Russia. Protected by what appeared to be the world's strongest military power, he would be able to carry out his plans to spread the revolution to all of Latin America, with the Soviet nuclear umbrella extended to cover each successive country as it fell under the sway of Castro-

ite revolutionaries. But he could rely on Soviet protection only if he led his country squarely into the "socialist camp," for then the mystique of the irreversible trend to socialism would work in his favor; the Soviets would have to defend him to prove that no communist country ever reverts to capitalism.

COMMUNIZATION

The sequence of events from the summer of 1960 to 1962 shows that this is exactly what Castro had in mind. And it also shows that the Russians were not very eager to accept Cuba in the communist community. This was understandable; it was far more convenient for them to maintain him as an expendable ally. Castro thus literally had to crash his way into the socialist camp.

On July 9, 1960, Soviet Premier Nikita Khrushchev declared that "figuratively speaking, the Soviet artillerymen could, if it became necessary, back up the Cuban people with rocket-fire."³ This was a statement clearly worded to give the impression that Cuba enjoyed nuclear protection, without actually committing Moscow to such protection. Castro is far too intelligent to have overlooked this. Nevertheless he chose to ignore Khrushchev's cautious wording. He effusively thanked the Russians without mentioning that their offer of nuclear protection was only "figurative."⁴

Two weeks later, Castro issued his first call for an "anti-imperialist" revolution in all of Latin America. In his speech on July 26, 1960, he declared that the Cuban example would "convert the Andes mountain range into the Sierra Maestra of all the Americas."⁵

Immediately thereafter, a series of measures designed to transform Cuba's market economy into a state-operated, centralized command economy of the Soviet type was undertaken. On August 6, 1960, the American-owned sugar mills, the oil refineries and the electric power and telephone companies were nationalized. In September, the Cuban tobacco factories were confiscated. In October, confiscation was extended to 380 of the most important Cuban-owned and to the remaining American-owned business enterprises.

² The most important of these early attempts was the unsuccessful landing of a Cuban-led group of Dominican exiles in Santo Domingo on June 14, 1959.

³ See the *Tass* agency report, as reproduced in *Revolution*, Havana, July 11, 1960.

⁴ See the report on Castro's television appearance on July 10, in *Hoy*, Havana, July 12, 1960.

⁵ See the text of this speech in *Revolution*, July 27, 1960.

That same month, the Urban Reform Law confiscated all housing not inhabited by its owners. By the beginning of 1961, the Cuban economy was well on its way to socialism, since most of the smaller business enterprises, such as shops and restaurants, were also rapidly falling into the hands of the state as their owners emigrated.

The next step was Castro's announcement, on April 16, 1961, that the Cuban revolution was a "socialist" one. It is, of course, no accident that the announcement was made one day before the Bay of Pigs landing. Castro had been alerted to the coming invasion by the bombing of his airfields. His declaration was evidently made in the hope that by proclaiming the socialist character of his revolution he would force the Soviet Union to intervene on his behalf.

Castro's victory at the Bay of Pigs was widely celebrated throughout the socialist camp. But the socialist nature of the Cuban regime was not recognized by the Russians, nor, for that matter, by the Chinese. Quite apart from practical considerations, there was an impelling doctrinal reason for this. All the member countries of the socialist camp—which at that time was not yet clearly split into two, although the Sino-Soviet conflict was moving toward a climax—were dictatorships of the Communist Party, with state leadership factually, though not formally, in the hands of the party leadership. Cuba, on the other hand, was the dictatorship of a single individual, a *caudillo* of the Latin American type. The Communist Party, or P.S.P. (*Partido Socialista Popular*), as it called itself in Cuba, was on good terms with the Cuban dictator, but he was not its leader, nor even a party member; and, although he had allowed the party to infiltrate the administrative machine, it was not represented in his government by a single person of cabinet rank.

This precluded the acceptance of Castro in the socialist camp. To receive Cuba as a member would have been a violation of the

most fundamental law of Leninism; namely, that the leadership of the socialist revolution belongs to the party of the proletariat. Subsequently, Castro took steps to overcome this obstacle. In his speech of July 26, 1961,⁶ he announced the merger of the P.S.P. with the two Castroite groups—"Movement of the 26th of July" and "Student Revolutionary Directorate"—which had been his mainstay during the two-year guerrilla war, but had since lapsed into inactivity. The new combined organization was to be called O.R.I. (*Organizaciones Revolucionarias Integradas*), and was to be regarded as the preparatory stage for the formation of a United Party of the Socialist Revolution.

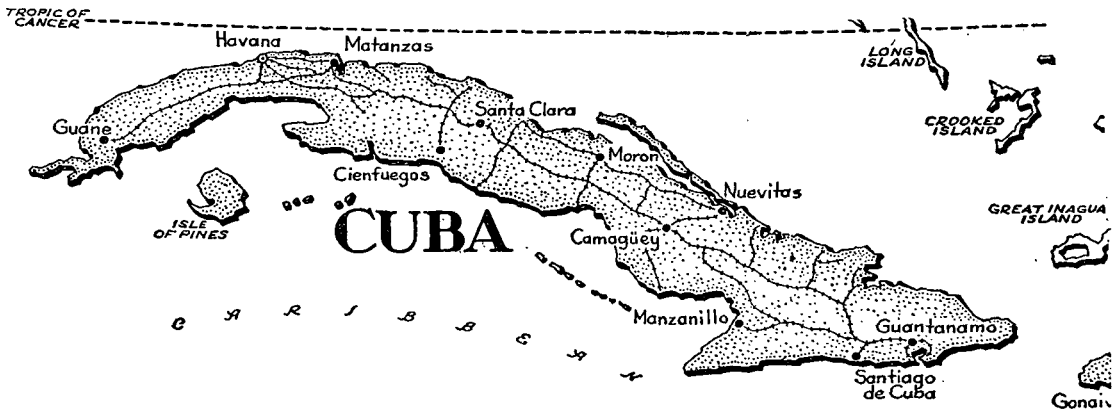
One of the leaders of the P.S.P., Anibal Escalante, was entrusted with the task of organizing O.R.I. He saw to it that O.R.I. was formed around the P.S.P. nuclei which existed in every part of the island, with the P.S.P. members deciding who was worthy of admission to the organization. It thus seemed that Castro had capitulated to the P.S.P., handing over virtual control of the revolution to the Moscow-oriented Communist Party leadership. This impression was strengthened by Castro's speech of December 1, 1961, in which he abjectly apologized for having been prejudiced against the P.S.P. both before and after his advent to power.⁷ This is the speech which Cuban refugee propaganda falsely represents as an admission that, from the beginning, the revolution had been a conspiracy mounted by the Communists. What Castro actually said does not warrant such an interpretation. He merely admitted that, like many others, he had become acquainted with Marxist literature and had been favorably impressed by it even in his student days.

It soon became clear, however, that Castro had merely been using the old guard of the P.S.P. In March, 1962, he suddenly turned against Escalante, accusing him of having favored the former P.S.P. members at the expense of the men who had actually initiated the revolution.⁸ Escalante was exiled in disgrace. The old-guard communists lost control of O.R.I., and this body then underwent a complicated process of reorganization. In

⁶ *Ibid.*, July 26, 1961.

⁷ See *Hoy*, December 2, 1961.

⁸ See his speech of March 26, 1962, in *Revolución*, March 27, 1962.



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February, 1963, when it assumed the name of P.U.R.S. (*Partido Unificado de la Revolución Socialista*),⁹ it was not yet functioning as an effective ruling party.

By mid-1962, Castro had not obtained his objective of membership in the socialist camp. At this point, he was offered an alternative which may have seemed even better: the stationing of Soviet missiles on Cuban soil. This not only appeared to offer adequate insurance against a United States attack on his own country, it also opened the perspective of nuclear protection for Castroite revolutionary regimes in other Latin American countries. The greater part of the region was within range of missiles stationed in Cuba, and the threat of nuclear retaliation would thus be plausible enough to deter the neighboring countries from intervening directly or lending their territory as a base for United States military intervention.

Of course, all this presupposed that the United States would tamely submit to the installation of the missiles and to nuclear blackmail. The assumption may appear fantastic to Americans, but to foreigners unfamiliar with the temper of the country certain aspects of United States policy in the preceding year—the unfortunate Bay of Pigs affair, the failure to retaliate against the building of the Berlin Wall—indeed appeared to indicate that despite American military power, the people and the government of the

United States were morally too weak to face the prospect of nuclear war.

The missile crisis of October, 1962, was a turning-point in the history of the postwar world, exposing the fact that the Soviet policy of nuclear blackmail had been based on bluff. To the peoples of Latin America, it revealed that the Soviet presence in Cuba was the result not of Soviet strength, but of American tolerance. From the military point of view, Cuba was shown to be worthless to the Soviets, for what use is a military base if one's enemy is in a position to dictate what arms may be kept there?

Castro managed to save face by refusing to submit to ground inspection of the missile sites. Nevertheless, it was evident that his entire foreign policy had been based on a miscalculation: the Soviet Union was not strong enough to confront the United States in the western hemisphere.

As compensation for the withdrawal of the missiles Cuba was later officially accepted as a member of the socialist camp; in their slogans for the May Day celebrations of 1963, the Russians for the first time listed Cuba among the countries of the camp, and acknowledged that the Cuban people were actually "building socialism." But this could no longer satisfy Castro, since the missile crisis had cast serious doubt on the value of that membership.

Subsequent events revealed even more clearly how dubious is the protection of membership in the socialist camp. On February

⁹ See Castro's speech of February 22, 1963, in *Hoy*, February 23, 1963.

7, 1965, American bombing raids on North Vietnam began and, with brief interruptions, have continued to this writing. Castro's reaction to the bombardment of a fellow member of the socialist camp is highly significant. Time and again, he has demanded drastic action to stop the American raids on North Vietnam. Thus, in his government statement of February 6, 1966 he declared:

We speak on behalf of a people who did not hesitate for the sake of strengthening the revolutionary movement, for the sake of strengthening the Socialist Camp, for the sake of firmness and determination in defense of the revolution against the imperialists, to risk the dangers of thermonuclear war, of nuclear attack against us. . . .

Our position is this: We favor that Vietnam should be given all the help necessary! We favor that help should be given in weapons and men! We favor that the Socialist Camp should run the necessary risks for Vietnam!¹⁰

These cries of anguish are understandable. For the failure of the Soviet Union to take adequate measures against the bombardment of North Vietnam demonstrates the fundamental weakness of the socialist camp, and thus the bankruptcy of Castro's foreign policy, which had led Cuba into that camp.

ECONOMIC POLICY

Bankruptcy is also the appropriate term for the results of Castro's economic policy, which from the beginning was dictated by purely political considerations. It is a mistake to assume that Castro ever seriously tried to raise the general level of wellbeing to make Cuba a showcase for socialism. To consolidate his power by weakening the social groups most likely to conduct effective opposition against his dictatorship, he encouraged the mass emigration of the country's tech-

nological and administrative cadres, although he must have known that the economic effects of this exodus would be disastrous. As we have seen, the sweeping confiscation and nationalization measures, and the establishment of a centralized command economy, were undertaken for reasons of foreign policy, with a complete disregard for economic commonsense, for the individualistic traditions of the Cuban people, and indeed for Soviet admonitions to proceed slowly and cautiously.¹¹ To date, the results of Castro's economic policy have been the failure of his ambitious industrialization plans and a decline in sugar production—the latter in spite of the fact that the area of sugar cultivation has been expanded at the expense of other crops, thus reinforcing the monocultural structure of the Cuban economy.

POWER AND CHARISMA

In view of these signal failures, the absence of any visible internal threat to the Castro regime must be attributed to his extraordinary skill in the manipulation of power. The Castro regime is indisputably a totalitarian dictatorship. As in most such regimes, there is much private grumbling and circulation of rumors and anti-regime jokes. But the dictator's decisions are never publicly challenged or even mildly criticized and all attempts at organized opposition are immediately suppressed.

There is, however, one puzzling circumstance. The National Socialist regime in Germany and the communist regimes in Russia and other countries have been minutely analyzed. The general consensus emerging from these studies would appear to be that totalitarianism is the result of an unusually thoroughgoing, rigidly disciplined organization of society. Yet Castro has what Andres Suarez in his aforementioned study aptly terms a very pronounced "allergy to organization." Within the seven years of his regime, its organizational base appears to have shifted first from the rebel army to the militia and the committees for the defense of the revolution, then from these to the O.R.I., dominated by the cadres of the former P.S.P., then

¹⁰ See *Granma*, Havana, February 6, 1966. For further Cuban statements in the same vein, see for example, the speech of the Cuban guest delegate, Armando Hart, at the 23d Congress of the Soviet Communist Party in Moscow, reported in *Granma*, May 1, 1966; and Castro's speech on July 26, 1966, in *Granma*, July 27, 1966.

¹¹ As long as it was in a position to do so, the P.S.P., which was in close contact with the Soviet embassy, counselled a conciliation of the "national bourgeoisie" and the middle classes.

to an O.R.I. no longer dominated by the P.S.P. O.R.I. was renamed P.U.R.S. and the P.U.R.S. was renamed the Communist Party of Cuba,¹² and each change of nomenclature was accompanied by sweeping changes in the composition of the leadership. Today, six of the eight members of the Politbureau of the Cuban Communist Party, and nearly 70 per cent of the members of its central committee, are active officers of the armed forces. Thus the rebel army appears to have reestablished its ascendancy.

These frequent changes are certainly intentional. They constitute a deliberate policy of preventing the institutionalization of the revolution, which in turn can only be ascribed to Castro's inordinate love of personal power. Institutionalization inevitably means the delegation of power to the leading personnel of the various institutions, and this, as we have already pointed out, Castro abhors.

The only institutions of Castro's regime which show any permanence are the two that are absolutely indispensable for the maintenance of power: the army and the political police. In the army, Castro does his best to prevent the formation of personal loyalties within the military hierarchy by constantly shifting the commanding officers from one post or function to another. And as for the political police, there are signs that some of its responsibilities have lately been transferred to other organs.

The one constant factor in the Cuban regime is the dictator's charisma, his ability to win unconditional devotion without giving anything in return. It is true that the range of his hypnotic powers has diminished. At first, the vast majority of his countrymen were under his spell. Yet even if, as some maintain, his supporters today constitute no more than five to ten per cent of the active population, that would still be far more than one hundred thousand fanatics—more than enough to control a country of seven million in which there are no elections and any organized opposition or even public dissent is punished as a crime.

In this respect, it is interesting to compare Castro's methods with those of Joseph Stalin in the Soviet Union. The latter began his ascent to absolute power as an unobtrusive bureaucrat, lacking all charisma and not taken seriously by the brilliant intellectuals of the party leadership. Organization was the weapon which he used to beat his opponents. But even this organization man par excellence saw institutionalization as a danger to his dictatorial rule. In fighting it, he left the organizational structure of the regime intact, but wiped out its personnel in the great purge of the 1930's, replacing it by younger, more devoted men. From then on he ruled by carefully balancing the various organizations—party, state apparatus, army, police—against one another, never allowing one to become absolutely dominant. But apparently this did not suffice. In 1949, he instituted a second purge, and a third purge of all-encompassing dimensions appeared to be imminent when he conveniently died.

It thus appears that institutionalization, which is so often regarded as a prerequisite to totalitarian dictatorship, is actually a long-term threat to its existence. It may well be this which has impelled Chairman Mao Tse-tung to the present purge in China.

Castro is an innovator in the art of totalitarian control. His charisma enables him to rule by not allowing organizations and institutions to take a definite shape. One might call this the principle of permanent revolution through incessant disorganization. To phrase it thus at least shows up the innate instability of the system: as long as there is no institutionalization, the fate of the regime hangs on one thread—the life of the charismatic dictator.

Ernst Halperin will assume the position of professor of political science at the Institute of Inter-American Studies at Miami University during 1967. In 1961 and 1963 he spent several months in Cuba; he visited Brazil during the latter part of 1966. He is the author of *Nationalism and Communism in Chile* (Cambridge: The M.I.T. Press, 1965).

¹² This latest change occurred in October, 1965.

BOOK REVIEWS

ON LATIN AMERICA

A HISTORY OF MODERN BRAZIL, 1889-1964. BY JOSÉ MARIA BELLO. Translated from the Portuguese by James L. Taylor. With a new concluding chapter by Rollie E. Poppino. (Stanford: Stanford University Press, 1966. 354 pages, publisher's note, translator's note, a brief chronology of Brazilian history, preface, maps and index, \$10.00.)

This translation of the fourth edition (1959) of the late Brazilian historian José Maria Bello's *História da República* makes available to the English-speaking reader a comprehensive survey of the republican period of Brazil's history. Introductory chapters provide background on the nature of the empire and monarchy and on the forces which stimulated the republican revolution and led to the establishment of constitutional government. Subsequent chapters offer a detailed account of political events during the administrations of Brazil's constitutional and authoritarian regimes from 1891 through the inauguration of Juscelino Kubitschek in 1956. While concentrating on political events and forces Professor Bello's history also includes judicious analyses of the economic, geographic and social problems which have directed Brazil's development. He was of the opinion that the prime factors in the building up and eruption of Brazil's revolutions "were the economic weaknesses and political unenlightenment not only of the masses but of the middle classes."

Rollie E. Poppino, associate professor of history at the University of California at Davis, has expanded the chapter dealing with events from 1946-1954 and written a concluding chapter which covers the succeeding decade up to the revolution of 1964 which he regards "as the most serious of the crises in Brazilian democracy. . . . In effect, when the elected heads of the politi-

cal parties encouraged, or failed to discourage, the overthrow of President Goulart by the armed forces, they were acknowledging the failure of representative democracy, as known in Brazil, to cope with the urgent problems of the day."

Mary M. Anderberg

NATIONALISM IN LATIN AMERICA. BY GERHARD MASUR. (New York: The Macmillan Company, 1966. 251 pages, preface, notes and index, \$5.95.)

Conviction that the "ideology which has most deeply penetrated Latin American political and social thought in the twentieth century has been nationalism" and that it "has acted as a catalyst for many of the social adjustments which have taken place" prompted Professor Masur to write this work which traces the evolution of nationalism in Latin America to the present day. He examines the heritage of Latin America's colonial past, the rigid stratification of its society, the role of the army and the church, the phenomenon of *caudillismo* and the impact of European and North American investment on the national development of the Latin American countries. Chapters are devoted to the national revolutions in Mexico, the Andean republics, and Bolivia, the nationalistic totalitarian regimes of Peron in Argentina and Vargas in Brazil, and to the Castroite revolution in Cuba.

"Latin American nationalism," the author concludes, "appears to be a by-product of the encounter with Western capitalism." Popular reaction against economic imperialism provided the seedbed for the growth of nationalism and the various revolutionary movements throughout the continent. Professor Masur predicts that "nationalism will remain the rallying point for all elements of society that wish to participate in the forward thrust of the coun-

try to which they belong. . . . It may help to overcome class antagonism and even class struggle" or it "could be used as the vehicle in which *caudillo* rule returned to power."

M.M.A.

THE UNWRITTEN ALLIANCE. RIO-BRANCO AND BRAZILIAN-AMERICAN RELATIONS. By E. BRADFORD BURNS. (New York: Columbia University Press, 1966. 209 pages, preface, acknowledgments, illustrations, notes, bibliographical essay, selected bibliography and index, \$6.95.)

Baron Rio-Branco, the Brazilian minister of foreign relations from 1902 to 1912, chose to foster Brazilian-American friendship as a means of achieving his foreign policy goals. The support which he obtained from the United States was a great help in the establishment of nine thousand miles of formerly undelineated Brazilian border. Territorial settlements with French Guiana, British Guiana, Colombia, Peru, Bolivia and Argentina were involved. Rio-Branco's encouragement of cordial Brazilian-United States relations led to what seemed to be an unwritten alliance between the two states and caused Brazil to focus its attention on Washington and away from London. For its part the United States, especially during the administration of Secretary of State Elihu Root, found Brazil of great help in implementing its policies in South America. Professor Burns' book is the first in a series sponsored by the Institute of Latin American Studies of Columbia University.

M.M.A.

THE UNITED STATES AND LATIN AMERICAN WARS, 1932-1942. By BRUCE WOOD. (New York: Columbia University Press, 1966. 387 pages, preface, notes, bibliography, maps and index, \$11.00.)

This is an exhaustive and valuable study of United States policy with regard to the three conflicts which erupted in South America in the decade beginning 1932: the Chaco War between Bolivia and

Paraguay, the Leticia dispute between Colombia and Peru and the Marañón conflict between Ecuador and Peru. The reasons for the failure of western hemisphere diplomacy in halting these contests are scrutinized. Professor Wood notes that United States policy toward the conflicts consisted of three elements—"a lasting concern that there should be peace in America, a determination to refrain from the use of force, and a desire to avoid Latin American resentment." The shortcomings of United States diplomacy with regard to the conflicts are examined, while it is conceded at the same time that the United States did make a remarkably sustained effort at testing the limits of collaborative and non-coercive methods of bringing about peace.

M.M.A.

STRATEGY FOR THE AMERICAS. By JOSEPH W. REIDY. (New York: McGraw-Hill Book Company, 1966. 185 pages, preface, acknowledgments, selected bibliography and index, \$6.75.)

This Foreign Policy Research Institute book focuses on the contemporary factors at work today in Latin America which directly bear on the problems of United States policy in the area. "Latin America's fuller identification with the modern West is the prime objective of a Strategy for the Americas and an integral element in a United States grand strategy designed to build a more closely integrated Atlantic world," the author points out. With this long-range goal in mind, he assesses the effectiveness of United States military, economic and political interests in the region. Latin American-United States grievances are discussed and it is noted that "Many United States difficulties in dealing with Latin America result from a tendency to underestimate the depth of the region's problems of development while at the same time overestimating United States power to effect their rapid solution." Various proposals for improving and implementing United States programs in the area are evaluated.

M.M.A.

HISTORY AND POLITICS

TRAGEDY AND HOPE. A History of the World in Our Time. By CARROLL QUIGLEY. (N.Y.: The Macmillan Company, 1966. 1,348 pages and index, \$12.50.)

In this lengthy but interesting attempt to understand contemporary society, economics, politics, technology and science, Carroll Quigley divides his study into three periods: 1814-1895; 1895-1950; 1950-1964. The period of transition (1895-1950) leading to the present "revealed man's real inability to control his life by the nineteenth century's techniques of laissez faire, materialism, competition, selfishness, nationalism, violence and imperialism."

Optimistically, the author observes that "The hope of the twentieth century rests on its recognition that war and depression are man-made and needless. They can be avoided by . . . going back to other characteristics that our Western society has always regarded as virtues: generosity, compassion, cooperation, rationality, and foresight . . . love, spirituality, charity and self-discipline."

The book encompasses developments large and small, personalities grand and minor. At times the infinite minutiae about persons and events devolve into chummy reporting. But on the whole this is an exhaustive and intriguing examination of the men, ideas and forces shaping the world as we know it today.

J.B.A.

ON RUSSIA

THE SOVIET UNION AND DISARMAMENT: AN APPRAISAL OF SOVIET ATTITUDES AND INTENTIONS. By ALEXANDER DALLIN, AND OTHERS. (New York: Frederick A. Praeger, 1965. 277 pages and index, \$7.50.)

This volume summarizes the thinking of three dozen scholars, specialists and United States government officials who met twice during the latter half of 1963 under a con-

tract with the U.S. Arms Control and Disarmament Agency to discuss the Soviet view of disarmament. It profits from being an interpretive work rather than simply a summary of discussions and views, even if Dr. Dallin and his collaborators seem to have over-stressed the areas of agreement among the seminar participants. The book is especially valuable for the way in which it integrates the approach of specialists in arms control problems with the conclusion of specialists in Soviet policy.

If one thing emerges clearly from these pages, it is that the complexity of the disarmament problem itself is more than matched by the complexity of the Soviet outlook on disarmament. Yet in this complexity Dr. Dallin and the others have found at least a modest set of areas in which there are no major obstacles to reaching agreements. The problem, as stated here, is not "whether the Soviets really want disarmament," but rather what arms-control measures they may find in their interest in the near future, and to what extent these measures might open the way for certain broader agreements.

Robert J. Osborn
University of Pennsylvania

KHRUSHCHEV: A CAREER. By EDWARD CRANKSHAW. (New York: The Viking Press, 1966. 311 pages, illustrations, chronology, notes and index. \$7.50.)

Mr. Crankshaw provides a lively examination of Nikita S. Khrushchev, a leader who was not suited to the era of technocracy nor to the age of the organization man, according to his Presidium associates. Most interesting is his attempt to explain Khrushchev's destruction of the Stalin legend at the 20th congress of the Soviet Communist Party in 1956.

Crankshaw has carefully covered the events of the ex-first secretary's career. However, it will be some time before this fascinating and at times enigmatic personality is satisfactorily delineated.

K.P.D.

CURRENT DOCUMENTS

Premier Castro's Speech on Cuba

On August 30, 1966, Cuban Premier Fidel Castro spoke for more than five hours at the 12th Congress of the Cuban Workers Organization. Excerpts from this speech—his remarks on Cuba's agricultural difficulties—follow:

We must make a confession. The central task of the revolution nowadays is the agricultural effort. This congress has worked under the slogan of focusing the effort on agriculture, and our party—our party, our party cadres—are they perhaps focusing all their efforts on agriculture?

Are our party cadres fully aware of all the problems of agriculture in each of the regionals [sic] in which they work? No! Unfortunately, no! . . .

I do not have the slightest doubt that our party has a number of magnificent comrades—magnificent, devoted workers, full of enthusiasm—but who, unfortunately, are still very ignorant about production techniques. Unfortunately, the daily work, the accumulation of responsibilities resting on their shoulders has not permitted them to study, has not permitted them to improve themselves. We believe that if one speaks of focusing the effort on agriculture the first ones, the very first ones who must focus their efforts on this and try to master and control the situation are our political cadres. . . .

The development of a series of new agricultural activities led from a situation in which there was a great surplus of labor to a situation of a labor deficit. This is one of the most serious problems of our agriculture. . . . What is the solution for that problem? The solution for that problem—the only solution for that problem—lies in machines, in machines. . . .

What we must think of is a better organization of the labor force, solutions such as have

been emanating from this congress, the organization of the brigades, methods that will lead workers to make maximum efforts through improvements in the organization and in the solution of the shortcomings we have. . . .

Gentlemen, there is something that must be quite clear: the revolution is the abolition of the exploitation of human labor but not the abolition of human work. To liberate the worker from the exploiters does not mean freeing the worker from work. Of course, gentlemen, the time may come when, with three or four hours of work by active persons, by means of very high productivity, all needs may be satisfied for a human society. But it is utopia, a dream to think that with three hours of work, four hours of work, while productivity is still as low as an underdeveloped country like ours has, we are going to satisfy our needs, which are twice that much; that we are going to feed, dress, and shoe the entire population—no!

Some of our administrators, many of them who came from the ranks of the workers, release a man occasionally from the fields. They have the tendency, as some comrades have explained to me: "This comrade has made many sacrifices, he has struggled much, so let us take him from here and put him to watch this turbine. Let us take the other from here and put him to do something else." So every now and then they free an old comrade from the fields.

They will not free us from shortages in

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DOMINICAN REPUBLIC

(Continued from page 332)

reform, austerity and other economic issues; but in one extraordinary broadcast near the end of the campaign he warned his supporters to arm themselves with sticks and stones for self-protection when they went to the polls.

THE ELECTION

The June 1, 1966, election was conducted in an atmosphere of complete calm and order. On hand to witness the balloting and the counting of the votes throughout the country were 41 observers recruited by the O.A.S. from the United States and from every Latin American country except Cuba and Haiti. Also present were 70 unofficial observers from the United States and Puerto Rico, sponsored by a pro-Bosch "Commission on Free Elections in the Dominican Republic," and about 100 United States and foreign newsmen. All agreed that the election was free, fair and democratic.

Approximately 1,355,000 Dominicans went to the polls, a larger number than had been expected and more by nearly 300,000 than the 1962 turnout. Balaguer received 769,000 votes (57.2 per cent of the total), whereas Bosch won 525,000 (39 per cent), and Bonnelly less than 40,000 (2.8 per cent). The *Reformista* ticket lost to the P.R.D. in the National District (Santo Domingo and its environs) but carried all but 4 of the 26 provinces.

As this last statement suggests, Balaguer's main strength lay in the rural areas, where his lack of identification with the warring factions of Santo Domingo and his commitment to peace and order were definite assets. In the strife-ridden capital, where Bosch was strongest, Balaguer gained a respectable 36 per cent of the total vote and held Bosch to 60 per cent—far below the 77 per cent that he had received in the 1962 election. Even

in Ciudad Nueva, the rebel sector of the city, Balaguer did remarkably well; there he won 33.6 per cent of the vote. This surprisingly strong showing may in part be accounted for by the strength he is believed to have had among women voters, to whom he had addressed many direct appeals for support.

Other factors underlying his large margin of victory in the republic as a whole were the influence that he was believed to have with the military and the police (in contrast to Bosch, who was widely thought incapable of controlling them) and the preference that the United States government was believed to have for Balaguer as a candidate and future president. Equally important, however, were the factors that caused voters to turn away from Bosch. These undoubtedly included his identification with the civil war and with the general strike and other disturbances. His "sticks and stones" speech is often cited as a fatal mistake. Many Dominicans believe that Bosch made the remark deliberately, knowing full well what its adverse consequences would be, because he really did not want to win the election. Such an explanation may also account for his failure to leave his house and pursue an active campaign among the people—a factor that is believed to have cost him thousands of votes.⁵

BALAGUER IN POWER

Once in office, President Balaguer began to implement his campaign pledges concerning the restoration of a spirit of unity, the revitalization of the stricken economy, and the fiscal stabilization of the virtually bankrupt government. His first step was to put together a "national unity" cabinet, which contained prominent members of several parties besides his own, including two from the P.R.D. For the sensitive post of minister of the armed forces, he retained Major General Enrique Pérez y Pérez, who had loyally served the provisional government after his appointment in February on the departure of Comodore Rivera Caminero.

Balaguer's later appointments revealed the same finesse. His unprecedented naming of women to all 26 provincial governorships not

⁵ See Henry Wells, "The Dominican Experiment with Bosch," *Orbis*, Vol. X, No. 1 (Spring, 1966), pp. 274-280, for a discussion of earlier manifestations of Bosch's ambivalence toward power.

only acknowledged his debt to Dominican females for their role in his election but also placed in the provincial capitals subordinates unlikely to turn into rivals. Similarly, his appointment of the ex-rebel leader Héctor Aristy as ambassador to UNESCO and of the rightist General Wessin as deputy ambassador to the United Nations put them under obligation to him and at the same time placed them where they could do little mischief. As a further precaution, Balaguer authorized a campaign to disarm the civilian population, with the consequence that large quantities of weapons were found and confiscated, especially in the former rebel zone of Santo Domingo.

On the economic front, he decreed strict curbs on imports, began an emergency public-works program to give jobs to the unemployed (estimated at 30 per cent of the labor force), and lowered prices on food, electric power and other necessities. Within the government itself, he inaugurated an austerity program that included a reduction of padded payrolls, a cut in salaries and an attempted elimination of graft. He also began a thorough overhaul of the numerous mismanaged and money-losing state enterprises, including the Dominican Sugar Corporation. In support of these efforts and of plans for increasing production in agriculture and other fields, the United States announced its readiness to advance \$50 million. The O.A.S. also offered substantial financial support and, through its Dominican bishops, the Catholic Church announced plans for a well-financed foundation to promote improvement in the living conditions, health and education of peasants and workers.

In contrast to these hopeful developments, rumors of the impending overthrow or assassination of Balaguer began to circulate before he had been in office a month. Right-wing air force officers were alleged to be conspiring against him. Twice during August and again in September Balaguer alluded to these threats in radio and television broadcasts and pleaded for the support and cooperation of all Dominicans. The departure of the last units of the Inter-American Peace Force on Septem-

ber 19 undoubtedly increased the vulnerability of the Balaguer regime. Whether it can remain in office long enough to restore a measure of economic stability to the country remains an open question.

As these lines are written, trouble seems most likely to come, if it comes at all, from the extremists of the right rather than of the left—and not only from within the military but also possibly from their natural allies, those former stalwarts of Trujillo's Dominican Party who are to be found in considerable numbers at strategic points within Balaguer's own *Reformista* party. As for the left-wing extremists, the communist parties have become involved in leadership squabbles that seriously reduce their already limited capacity to foment anything approaching revolution. Meantime, Bosch and the P.R.D. are playing the role of a moderate and constructive opposition. How long that will last also remains an open question.

THE THREE GUIANAS

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American businesses interested in investment in Guyana is pending for approval.

The funds are being used to repair the facilities that had been neglected because Jagan was unable to secure the necessary financial support to carry out essential government activity. Roads are being resurfaced and repaired. Sections of the all-important sea wall are being rebuilt at a cost of slightly less than \$1 million a mile. A new road into the interior is being built and modern airport facilities are to be constructed. Finally, a small Peace Corps contingent has arrived to supplement the educational services of the government in remote villages of the interior.

The reaction of Jagan and the East Indians has been one of watchful waiting. By 1969, the East Indian voters will easily become such a heavy majority that no amount of gerrymandering under the guise of proportional representation will succeed in blocking Jagan's return to power—if honest and free elections are held.

The very costly gamble that the United States is taking in Guyana can only be successful if the East Indians come to realize that economic progress will grind to a sudden halt if Jagan is returned to power. This lesson has so far been lost on the East Indians, who up to now show no signs of weakening their support for Jagan. Unless a change occurs, the millions of dollars spent by the Agency for International Development will not prevent the defeat of a friendly government for reasons, it must be added, which have absolutely nothing to do with the cold war.

There is one way out of this dilemma. Up to now, neither the Burnham government nor the Agency for International Development have directed their attention and dollars to the problems of agriculture, specifically the high cost of the production of rice. The government has been guaranteeing a higher price for rice than the price offered on the world market. This has resulted in a high-cost operation which has served as an unnecessary drain on government funds. Jagan's solution to the problem, to organize rice cooperatives, would have provoked strong opposition from his fellow East Indians if he had carried it out, but it would have placed the production of rice on a more competitive footing. To secure political support from the East Indians, Burnham must attack and solve the rice problem. Some way must be devised to increase the income of the rice farmer, at the same time maintaining or, if possible, lowering the subsidized price of rice. If this can be achieved the East Indians may have second thoughts about their commitment to the People's Progressive Party.

In sum, after long neglect, the French will undoubtedly conquer the wilderness of French Guiana and create a new tropical community built around the interest of space study. Motivated by political expediency, the Surinamese government is bringing into modern society a group too long left abandoned and isolated in the wilds of a tropical jungle. Finally, if United States dollars can smother the fires of race hatred in Guyana, the "Wild Coast" will become a historical term belonging only to centuries past.

MEXICO'S ECONOMY

(Continued from page 348)

co's external debt service obligations are already extremely heavy. Indeed, one of the most compelling arguments for higher taxation is that this is the most feasible way to procure the necessary capital.

Agricultural productivity must be greatly increased, not only to provide the basis for the broader domestic market but also to feed the rapidly growing population and to supply the exportable surpluses that are (and will, for the foreseeable future, continue to be) the main source of vital foreign exchange earnings. For all these reasons, Mexico once again is turning to agriculture. While a sense of urgency is apparent, also apparent is a good deal of uncertainty and confusion about how to devise suitable remedies for the country's long-standing agricultural problems.

Reorientation of policies appropriate to the new stage in the economic development process will require a high degree of technical skill and political astuteness. It may be easier for Mexico to satisfy the former requirement than the latter. Not that the country is less well provided with astute politicians than with skilled technicians. But the environment within which the politicians operate is becoming increasingly hazardous, while constraints on solutions to technical problems are easing.

Indeed, Mexico under its current president, Gustavo Díaz Ordaz, may also be entering a new and more difficult stage in its political development. As control of the ruling *Partido Revolucionario Institucional* (PRI) has gravitated to a coalition of conservative politicians and industrial-financial leaders, and as dissident groups outside the rather narrow circle of power and privilege have become more vociferous and better organized, economic policy formulation has become progressively less free from constraints of the sort that excessive political fragmentation and polarization have traditionally imposed in numerous other Latin American countries. As a result, the political element in the choice

of economic policies is increasingly apparent, usually reflected in expedient compromises but occasionally manifest in bitter intraparty disputes.

What appears to underlie the paralysis which is gradually overtaking Mexico's one-party democracy are differences in risk preferences between the disparate elements which, up to now, have been able to get along within the *PRI*. On the one hand, those who are in a position to command the choicest fruits of the country's development efforts evidence a strong preference for stability (both economic and political) and a maintenance of the status quo over the uncertainties associated with further experimentation with institutional change. On the other hand, disadvantaged farmers, some segments of organized labor, and certain student organizations are apparently prepared to gamble on further institutional reform.

Just how all this relates to the specific agricultural problems that have now assumed crucial importance is not entirely clear. Certainly the economic distress which prevails in much of the agricultural sector is potentially explosive politically, a fact which is obviously unsettling to the power establishment. Equally clear is the growing awareness that increased agricultural productivity and purchasing power are required for continuation of the industrialization process. It may well be that, as a consequence of a combination of political expediency and economic necessity, sufficient support for a renewed search for solutions to the country's agricultural problems will be forthcoming—and, furthermore, that a concerted attack on these problems will ease Mexico's transition to a new stage of economic, and political, development.

GUATEMALA IN PERSPECTIVE

(Continued from page 343)

ration sustained it. Unfortunately, too many American businessmen in Guatemala, taking a myopic short-term view of the political situation, feel that our cooperation with the dictatorship was necessary to provide stability.

Others in our military and diplomatic corps share this same cynical view of Guatemalan history, perhaps out of ignorance or lack of faith in democratic procedures. In the long view, this attitude, and policies based on it, will do more harm than good for the real interests of the United States. The record of the Peralta dictatorship is a case in point—millions of dollars spent with the end result a tarnished image of our country. We would be well-advised in the long run to work with moderate democratic parties such as the P.R., a realistic and pragmatic group that can maintain stability and security—providing we are willing to support its programs, as we did in Peralta's case. We must also learn to live with and understand Guatemala's nationalistic concerns. Only in this way can we combat effectively the advocates of violent revolution in Latin America and thus prepare genuine democratic allies.

CASTRO'S SPEECH

(Continued from page 363)

that way. The field is hard, but how can we free ourselves from the fields as long as we do not have all the techniques, all the machines?

We have said that the day will come when almost all those hard jobs will be done with machines, not only with machines but with air conditioning in the machines. The day will come when the tractors will even have air conditioning. At this time of the day the work is hard. Who has said, who can say that we can free ourselves from those rigors simply by lessening the effort, lessening the work? Who has said that any problem can be solved by freeing ourselves from those efforts?

. . . Then, what we have learned is an awareness of our needs, and in addition to the awareness of our needs, the hope of solving them. . . .

Let us all fight together, because this is not a matter upon which one can preach a sermon each time one is asked for something that cannot be solved. . . . No, we must educate ourselves collectively. . . .

THE MONTH IN REVIEW

A CURRENT HISTORY Chronology covering the most important events of October, 1966, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Berlin

Oct. 7—Four youths from East Germany escape to West Berlin.

Disarmament

Oct. 2—*The New York Times* reports that Communist China has refused to participate in a United Nations plan to create a nuclear free zone for Latin America.

Oct. 11—U.S. State Department spokesman Robert J. McCloskey announces that the U.S. and the Soviet Union have removed "misunderstandings" and "that both sides are genuinely interested in a nonproliferation agreement" to curb dissemination of nuclear weapons.

Oct. 20—At a meeting of the 121-member political committee of the General Assembly, Soviet delegate Nikolai T. Fedorenko is optimistic that the U.S. and the Soviet Union will be able to agree on a treaty outlawing the spread of nuclear weapons. U.S. representative Arthur J. Goldberg is also hopeful.

European Free Trade Association (EFTA)

Oct. 27—At a ministerial council meeting in Lisbon, Portugal, British Minister George Thomson asserts that France still has "reservations" about British entry into the Common Market.

Manila Conference

Oct. 24—A conference of leaders of 7 of the nations involved in the Vietnamese conflict opens in Manila. President Lyndon Johnson heads the U.S. delegation; President Nguyen Van Thieu and Premier Nguyen Cao Ky head the South Vietnamese dele-

gation. Other countries represented are Australia, New Zealand, South Korea, Thailand and the Philippines.

Premier Nguyen Cao Ky of South Vietnam pledges political and economic reforms at home to the Manila conferees.

Oct. 25—A joint communiqué is issued at the close of the Manila conference; the allied nations declare that they are "united in their determination that the freedom of South Vietnam be secured, in their resolve for peace, and in their deep concern for the future of Asia and the Pacific."

Oct. 27—*Hsinhua* (Chinese communist press agency) terms the Manila offer "shameless humbug."

North Atlantic Treaty Organization (NATO)

Oct. 26—The NATO Council unanimously adopts a resolution to transfer NATO's civilian headquarters from Paris to Brussels.

United Nations

Oct. 5—An official spokesman at the U.N. reports that Secretary-General U Thant has resumed his efforts to arrange a Vietnamese settlement, and has conferred with U.S. Secretary of State Dean Rusk. In a letter from South Vietnam's Premier Ky to U Thant, Ky reportedly has declared that he is "ready to consider any initiative for a settlement of this conflict which would preserve the independence of the Republic of Vietnam and the right of its people to choose their own way of life." (See also *Intl. War in Vietnam*.)

Oct. 7—U.S. President Johnson, accompanied by U.S. Secretary of State Rusk, meets with U Thant at U.N. headquarters to discuss the Vietnamese war.

- Oct. 10—In presenting the annual U.N. budget message, U Thant warns of the weakness of the U.N.'s financial situation.
- Israeli Foreign Minister Abba Eban and Israeli Ambassador to the U.N. Michael Comay ask U Thant and Lord Caradon (Hugh Macintosh Foot) of Britain, Security Council president, to guarantee the Israeli frontier against Syrian attacks. (See also *Israel*.)
- Oct. 14—Abba Eban tells the U.N. Security Council that Syria wants to destroy his country. He asks the Council to condemn Syrian aggression against Israel.
- Oct. 24—The U.S. announces that it will increase its contribution to the World Food Program, sponsored by the U.N. and the F.A.O. (the Food and Agriculture Organization).
- Oct. 27—The U.N. General Assembly, voting 114 to 2, approves a resolution declaring that "South-West Africa comes under the direct responsibility of the United Nations." South Africa has stated that it will resist this unilateral action to revoke South Africa's League of Nations mandate to administer South-West Africa.

War in Vietnam

(See also *Intl, Manila Conference, U.N.*; and *U.S., Foreign Policy*)

- Oct. 7—The International Control Commission (India, Canada and Poland) announces that conditions in the demilitarized zone between North and South Vietnam are not "sufficiently secure" to be patrolled despite a bombing halt. On September 27, the U.S. and South Vietnam halted bombings and other military activities in a sector of the demilitarized zone. The North Vietnamese continue to reject patrols in their sector of the demilitarized zone.
- Oct. 8—An American military spokesman reports that yesterday 2 U.S. Air Force bomber-fighter planes were downed by enemy fire, one over North Vietnam, one over South Vietnam.

Oct. 9—It is reported that during a 90-minute meeting yesterday at the headquarters of the Soviet mission to the U.N., British Foreign Secretary George Brown suggested to Soviet Foreign Minister Andrei Gromyko that the U.S.S.R. and Great Britain reconvene the 1954 Geneva conference to negotiate a Vietnamese settlement.

Oct. 10—U.S. Defense Secretary Robert S. McNamara, accompanied by Under Secretary of State Nicholas deB. Katzenbach and other U.S. officials, arrives in Vietnam to check on the military situation.

Nhan Dan (North Vietnamese communist newspaper) publishes an article in which U Thant's 3-point peace program is criticized; nonetheless, the article supports U Thant's demand for an end to U.S. bombing attacks. (See *Intl, U.N., Current History*, August, 1966, p. 118.)

Oct. 15—A U.S. spokesman declares that U.S. plane losses in Vietnam total 403. A record 175 bombing missions against North Vietnam yesterday are reported.

Oct. 17—British officials report that after his October 9 conversation with Soviet Foreign Minister Gromyko, British Foreign Secretary Brown revealed that the U.S.S.R. has shown a "willingness" to involve itself in a peaceful settlement of the Vietnamese conflict.

Oct. 26—In a side trip on his Asian tour, President Johnson unexpectedly visits the U.S. base at Camranh Bay in South Vietnam to review U.S. forces there and to thank them for their effort.

Oct. 29—A U.S. military spokesman declares that in fighting last night and this morning between North Vietnamese army regulars and U.S. forces, 3 U.S. infantry companies suffered "moderate" casualties; 3 helicopters were shot down.

ALGERIA

Oct. 8—After fleeing to Belgium, leftist Minister of Information Bachir Boumaza announces his support of the dissident Secret Organization of the Algerian Revolution,

based in Brussels. It is rumored that Boumaza was to have lost his cabinet post.

Oct. 9—It is disclosed that last week Minister of Agriculture Abdenmour Ali-Yahia announced the postponement of the agrarian reform program until mid-1967.

AUSTRALIA

(See *Intl, Manila Conference* and *U.S., Foreign Policy*)

BRAZIL

Oct. 3—Congress elects Arthur Costa e Silva president. He will take office in March, 1967.

Oct. 20—President Humberto Castelo Branco, whose decree ousting 6 opposition deputies has been defied, recesses congress for one month. He will govern by decree.

BULGARIA

Oct. 10—Premier Todor Zhivkov and Foreign Minister Ivan Bachev, with other officials, arrive in Nice at the start of a week's visit to France.

CAMBODIA

Oct. 19—It is announced that last night Defense Minister Lieutenant General Lon Nol was chosen premier by the national assembly and the council of the kingdom.

CEYLON

Oct. 29—U.S. Ambassador-at-Large W. Averell Harriman arrives from Indonesia in the course of his trip outlining developments at the Manila conference.

CHINA, PEOPLE'S REPUBLIC OF (Communist)

Oct. 1—At the Gate of Heavenly Peace in Peking, 5,000 troops and an estimated 2 million Red Guards parade in celebration of the 17th anniversary of communist rule. Defense Minister Lin Piao delivers a speech condemning the Soviet Union for "actively plotting peace talk swindles" to end the war in Vietnam. Communist diplomats repre-

sending the Soviet Union, Bulgaria, Czechoslovakia, East Germany, Hungary, Mongolia and Poland leave the reviewing stand to protest Lin's remarks.

Oct. 16—*Jenmin Jih Pao* (communist Chinese party organ) publishes an article accusing the Soviet Union of failing to support "world revolution," and asserting that "the Soviet revisionist leading group" has already formed an alliance with the U.S. The article condemns U.S. appeals for an improvement in relations with East Europe. (See also *U.S.S.R.*)

Oct. 28—*Hsinhua* issues a communique announcing that a nuclear warhead mounted on a guided missile successfully exploded on target yesterday. The target was Lob Nor in Sinkiang Province.

CONGO, REPUBLIC OF (Kinshasa)

Oct. 5—The Congolese cabinet decides to order the closing of all foreign consulates in Congolese cities. Diplomatic ties with Portugal are cancelled.

Oct. 26—The *Agence Presse Congolaise* reports that President Joseph D. Mobutu has abolished the premiership. The Congo will have a presidential form of government.

ETHIOPIA

Oct. 15—Emperor Haile Selassie arrives on a 4-day state visit to the U.A.R.

Oct. 20—Haile Selassie meets in Paris for talks with French President Charles de Gaulle.

FRANCE

Oct. 5—Reporting on his talks in the U.S., French Foreign Minister Maurice Couve de Murville declares that "nothing new" resulted. (See also *U.S., Foreign Policy*.)

Oct. 28—At a press conference, President de Gaulle criticizes U.S. bombing of North Vietnam. De Gaulle accuses West Germany of having destroyed the meaning of the French-German Friendship Treaty because of its insistence on maintaining "preferential links with Washington."

GERMANY, FEDERAL REPUBLIC OF (West)

- Oct. 5—Chancellor Ludwig Erhard reports to the *Bundestag* (lower house of parliament) on the outcome of last month's talks with U.S. President Johnson. He declares that the U.S. has rejected West Germany's proposal to cut in half the required West German military purchases from the U.S. scheduled after June 30, 1967.
- Oct. 27—The 4 Free Democratic cabinet ministers in Chancellor Ludwig Erhard's coalition government resign over a proposed tax increase to meet a 1967 budget deficit. Erhard remains at the head of a Christian Democrat minority government.
- Oct. 28—The *Bundesrat* (parliamentary upper house) rejects the 1967 federal budget on its first reading; this does not mean the budget is killed.

GHANA

(See also *Guinea*)

- Oct. 10—The military government announces that ex-President Kwame Nkrumah will be tried in absentia for bribery.

GUATEMALA

- Oct. 3—Luis Turcios, the leader of the Rebel Armed Forces (a leftist guerrilla band), dies in a car accident.

GUINEA

- Oct. 30—The U.S. State Department reports that the U.S. ambassador to Guinea, Robinson McIlvaine, has been placed under house arrest. The arrest is allegedly in retaliation for the detention yesterday of 19 Guineans in Accra, Ghana, en route to an Organization of African Unity meeting in Ethiopia.
- Oct. 31—Ambassador McIlvaine is released.

INDIA

- Oct. 20—President Tito of Yugoslavia and U.A.R. President Gamal Abdel Nasser arrive for talks tomorrow with Indian Prime Minister Indira Gandhi.

- Oct. 24—Tito, Nasser and Mrs. Gandhi issue a communique at the conclusion of their 4-day talk. They urge the U.S. to terminate unilaterally and unconditionally the bombing of North Vietnam, and advocate the removal of all foreign forces from Vietnam.

INDONESIA

- Oct. 1—Former Foreign Minister Subandrio goes on trial before a military court, accused of having withheld information concerning a communist plot to overthrow the government last year.
- Oct. 25—The Extraordinary Military Tribunal sentences Subandrio to death.

ISRAEL

- Oct. 9—A mine on the Israeli-Syrian border kills 4 members of an Israeli patrol team. It is believed that the mine was laid by Syrian infiltrators.
- Oct. 21—Israel files a formal complaint with the U.N.'s Mixed Armistice Commission against Syrian infiltration and sabotage following a bomb explosion near the Jordanian border.
- Oct. 22—The U.N. reports that its truce supervision organization has found Israel and Syria each guilty of violating the demilitarized zone.

ITALY

- Oct. 29—At separate meetings, the Italian Socialist Party and the Italian Democratic Socialist Party ratify a proposal to unite after a 19-year split.

JAPAN

- Oct. 25—Japan and Singapore agree on settlement of Singapore's claims for compensation resulting from atrocities committed during World War II. Japan will pay \$16.5 million in grants and reparations.

JORDAN

- Oct. 10—King Hussein declares that his country will not allow the Syrian-Jordanian border to be closed; he warns against too

much Egyptian interference in "Syrian affairs." Hussein also states that if war should occur between Syria and Israel, Jordan would open a second front against Israel.

KENYA

Oct. 9—The leader of the opposition, Oginga Odinga, is seized and searched by police when he returns to Kenya from Uganda. He is later released.

Oct. 19—In a parliamentary constituencies review order, it is announced that the senate will be dissolved and that the house of representatives will be expanded to 175 seats.

KOREA, REPUBLIC OF (South)

(See *Intl, Manila Conference*)

LAOS

Oct. 21—Laotian air force planes attack 2 army camps in Vientiane because of a power struggle between Brigadier General Thao Ma, the air force chief, and the army high command. The Laotian government radio says that the government is in command of the situation.

Oct. 22—It is reported that General Ma has fled to Thailand.

LEBANON

Oct. 15—Lebanon's Intra Bank, one of the largest commercial banks in the Middle East, closes its doors "due to lack of liquidity."

Oct. 16—The Lebanese government orders a 3-day bank holiday. The government orders the central bank, the Bank of Lebanon, to provide funds to support the private banks.

LESOTHO

Oct. 4—Ceremonies are held giving independence to the British colony of Basutoland, now known as Lesotho. Paramount Chief Moshoeshe II becomes Lesotho's king.

NETHERLANDS, THE

Oct. 15—Premier Joseph Cals resigns; his government received a vote of no confidence yesterday.

NEW ZEALAND

(See *U.S., Foreign Policy*)

NIGERIA

Oct. 2—In Kano in the Northern Region, troops fire on refugees from the Ibo tribe of the Eastern region who are waiting to board an airplane for Lagos. Later, mutinous troops and Northern civilians attack Ibos at the railroad station and in the "dangerous quarter," located outside the old city walls. At least 300 Ibos are reported dead.

Oct. 3—Beginning today, thousands of Ibo refugees in the Northern Region are to be airlifted to safety.

PHILIPPINES, THE

(See *Intl, Manila Conference*)

POLAND

(See *U.S.S.R.*)

RHODESIA

Oct. 14—Sir Morrice James, permanent deputy under secretary in the Commonwealth Relations Office, arrives in Rhodesia with a new set of proposals for settling the question of Rhodesian independence.

Oct. 20—Following the departure of Sir Morrice, Rhodesian Prime Minister Ian D. Smith broadcasts to radio and television listeners that it is important for Britain and Rhodesia to "keep negotiations going."

SINGAPORE

(See also *Japan*)

Oct. 8—The 9 opposition members of parliament (representing the Barisan Socialist Party) resign. The remaining 42 parliamentary seats are held by members of the ruling People's Action Party.

SOUTH AFRICA, REPUBLIC OF

(See *Intl, U.N.*)

SPAIN

Oct. 24—The Spanish government closes the border with Gibraltar. Trade and automobile traffic passing through the Spanish customs post at La Linea are forbidden.

SWEDEN

Oct. 5—An unidentified submarine in the Gota River estuary off Goteborg, on the scene of a Swedish navy, army and air force exercise, leaves Swedish waters when depth charges are dropped as a warning.

SYRIA

(See *Intl, U.N. and Israel*)

THAILAND

(See *Intl, Manila Conference*)

TUNISIA

Oct. 3—After a cabinet meeting, it is decided to break off remaining diplomatic ties with the U.A.R.

UGANDA

Oct. 7—President Milton Obote places the chief of the defense staff, Brigadier General Shaban Opolot, under arrest.

U.S.S.R., THE

(See also *Intl, War in Vietnam*)

Oct. 3—The Soviet Union and North Vietnam sign an aid agreement. *Tass* (official press agency) reports that the new agreement includes military and economic aid to buttress North Vietnam's "defense potential."

Oct. 4—Thomas R. Dawson, a U.S. Peace Corps worker, is released. Dawson was imprisoned when he inadvertently crossed into the Soviet Union from Iran on September 11.

Oct. 6—*Tass* reports that a record grain harvest of 160 to 165 million tons has been predicted for this year.

Oct. 7—To retaliate for the Chinese expulsion of Soviet students last month, the Soviet Union orders all Chinese students in the U.S.S.R. to leave the country within 24 days.

Oct. 10—*Pravda* (Soviet Communist Party newspaper) comments on U.S. President Johnson's proposals for improved Soviet-U.S. relations and charges that the bombing attacks on North Vietnam are "the greatest obstacle on the part of improving

United States relations with the Socialist countries. . . ."

Oct. 13—Premier Aleksei Kosygin charges Communist China with having obstructed the course of military victory for North Vietnam. Kosygin speaks in Sverdlovsk, where he is accompanied by visiting Polish Premier Josef Cyrankiewicz and Polish Communist Party chief Wladyslaw Gomułka.

Oct. 14—Soviet Foreign Minister Andrei Gromyko stops in East Germany to meet with President Walter Ulbricht of East Germany. Gromyko is en route to Moscow from the U.S.

Oct. 15—Speaking at a Polish-Soviet friendship meeting in Moscow, Communist Party General Secretary Leonid I. Brezhnev declares that U.S.-Soviet ties cannot be improved until the U.S. halts the bombing of North Vietnam.

Oct. 16—*Pravda* publishes a joint declaration, signed by Gomułka and Soviet leaders, in which Communist China is condemned for policies that further "the aggressive actions of American imperialism."

Oct. 17—*Tass* reports that delegations from 8 communist countries have gathered in the Kremlin. The delegates come from Rumania, Cuba, Mongolia, Hungary, East Germany, Bulgaria, Czechoslovakia and Poland.

Oct. 22—The meeting of leaders of 8 communist nations with Soviet leaders ends. A statement announces that the visiting Soviet allies viewed 2 space satellite launchings.

Tass publishes the text of a communique announcing that the 8 visiting communist delegations and the U.S.S.R. discussed "a wide range of questions of international policy."

Tass announces that the twelfth lunar space vehicle has been launched.

Oct. 27—The last Chinese students leave. *The New York Times* reports that according to Polish sources, at last week's Moscow conference the Soviet Union and its allies agreed to give North Vietnam approximately \$1 billion in assistance.

Oct. 29—Cameras aboard Luna 12 transmit pictures of the lunar surface; the pictures appear on television in Moscow.

UNITED ARAB REPUBLIC

(See *India*)

UNITED KINGDOM

(See also *Intl*, *War in Vietnam*)

Great Britain

Oct. 3—At the opening of the Labour Party conference, some 2,000 automobile workers demonstrate against cutbacks in the automotive industry. Job losses have resulted from Prime Minister Harold Wilson's economic austerity program.

Oct. 4—At a cabinet meeting, the government makes the July, 1966, wage and price freeze mandatory.

Oct. 6—The rank and file at the Labour Party conference adopt 2 resolutions, demanding British withdrawal east of Suez by 1969–1970, and asking for British pressure on the U.S. to end the bombing of North Vietnam. The resolutions oppose the Labour government's pro-American policies.

Oct. 15—Addressing the Conservative Party conference in Blackpool, Conservative Party leader Edward Heath urges the government to join the European Economic Community.

British Territories

Basutoland (See *Lesotho*)

Fiji Islands

Oct. 10—Following 2 weeks of elections for a 40-member legislative council in this British crown colony, it is reported that the Alliance Party has won 20 seats; the Indian Federation Party, 8 seats; independent candidates, 3 seats; 3 seats are still contested. Six of the seats to the legislative council are not elective.

UNITED STATES

Agriculture

Oct. 11—In a "white paper" distributed by

Secretary of Agriculture Orville L. Freeman, it is estimated that farmers will net \$16.1 billion in 1966.

Civil Rights

Oct. 6—At a news conference, President Johnson asserts that the federal government should assume a positive role in the eradication of racial barriers.

Oct. 10—The president of the United Automobile Workers, Walter P. Reuther, who also heads the Citizens Crusade against Poverty, appeals to Sargent Shriver, director of the Office of Economic Opportunity, to restore federal funds to a 28-county Head Start Project in Mississippi. Recently Shriver charged that the Mississippi Head Start Project was badly managed and cut off funds.

Oct. 11—It is announced that the Mississippi Action for Progress group has received its first grant of \$3 million for Project Head Start. MAP replaces the controversial Child Development Group of Mississippi, accused of mismanagement of Head Start funds.

Oct. 13—Seven prominent Negro leaders issue a statement in which they reject "any strategies of violence for achieving racial equality," while affirming their belief in integration. By implication black power is repudiated. Missing is Dr. Martin Luther King's signature.

Oct. 16—Martin Luther King, head of the Southern Christian Leadership Conference, explains that he did not sign the "Crisis and Commitment" statement issued by 7 Negro leaders because he did not wish to denounce the Student Nonviolent Coordinating Committee and the Congress of Racial Equality (which advocate black power).

Oct. 19—At Castlemont High School in Oakland, California, some 250 Negroes—students and non-students—riot. Five white teachers and 3 white students are beaten. The school demonstration follows last night's racial violence in East Oakland.

Oct. 23—Speaking at the University of Cali-

ifornia's Berkeley campus, Senator Robert F. Kennedy (D., N.Y.) criticizes those "very few Negro spokesmen . . . who have called for . . . racism to meet racism. . . ."

- Oct. 24—King meets with Sargent Shriver in Atlanta, Georgia. Shriver refuses to restore funds to the Child Development Group of Mississippi until it is reorganized.
- Oct. 27—Police arrest 16 Negroes preparing to demonstrate at 2 newly-integrated schools in Grenada, Mississippi, because of alleged harassment of Negro students.

Economy

- Oct. 3—It is announced that interest rates on mortgages insured by the Federal Housing Administration and the Veterans Administration have been increased from 5.75 to 6 per cent.
- Oct. 6—Replying to a question about falling stock prices during his news conference, President Johnson observes that "there's never been a better" year than 1966. "And I believe that '67 will be equally as good."
- Oct. 7—A continued wave of selling forces stock prices down on the New York Stock Exchange. The Dow-Jones industrial average declines to a 3-year low at 744.32.
- Oct. 12—The Public Bank of Detroit is declared insolvent. This is the largest bank to fail since the depression of the 1930's.
- Oct. 13—The Commerce Department reports that in the third quarter of 1966 defense spending reached a rate of \$61.3 billion annually. The gross national product increased to an annual rate of \$756 billion in the July-September quarter.
- Oct. 22—Secretary of the Treasury Henry H. Fowler, in a speech distributed to the semi-annual meeting of the Business Council, declares that there is no need to "fear recession" when the Vietnam conflict ends.
- Oct. 26—Stock prices advance and the Dow-Jones industrial average reaches 801.11, the first time it has been over 800 since September 20.
- Oct. 28—The Federal Trade Commission announces that it will investigate "certain merchandising and promotional methods

in food retailing" that may add to the price of food.

In Queens County, New York City, as part of the nationwide boycotting of supermarkets by housewives protesting rising prices, 3 stores are picketed.

Foreign Policy

(See also *Intl, Manila Conference, U.N.*, and *War in Vietnam.*)

- Oct. 3—In Washington, Secretary of State Dean Rusk confers with French Foreign Minister Maurice Couve de Murville. (See also *France.*)
- Oct. 4—President Johnson meets privately with French Foreign Minister Couve de Murville for 10 minutes at the White House, where they reportedly discuss Vietnam.
- Oct. 6—President Johnson announces that he will attend the Manila conference of allied nations fighting in South Vietnam, now scheduled for October 24-25. Mrs. Johnson will accompany him.
- Oct. 7—Speaking at the National Editorial Writers Conference, President Johnson outlines a program to improve relations with the Soviet Union and East Europe. His proposals include the reduction of U.S. and Soviet troop strength in Germany and liberalization of trade with East Europe.
- Oct. 10—At the White House, President Johnson confers with Soviet Foreign Minister Andrei A. Gromyko. Later Gromyko meets with Rusk.
- Oct. 13—President Johnson meets in New York with the Laotian premier, Prince Souvanna Phouma. At a subsequent news conference, Johnson asks statesmen interested in peace to urge North Vietnamese President Ho Chi Minh to agree to "unconditional discussions." Later, at a White House press conference, Johnson announces that the U.S. will not stop bombing North Vietnam unless Hanoi agrees to cut down its military action.
- Oct. 14—The State Department announces that 2 U.S. helicopters mistakenly attacked a Cambodian army post near the South

Vietnam border on September 20. The State Department regrets the incident and declares that South Vietnam will provide compensation for losses.

Oct. 17—Arriving in Hawaii en route to the 7-nation Manila conference, President Johnson asserts that "... the most important weapons in Vietnam are patience and unity."

Oct. 18—En route to New Zealand, President Johnson stops in Pago Pago, American Samoa.

Oct. 20—In New Zealand at a state luncheon with leaders of parliament, President Johnson appeals to North Vietnam to end a war it "cannot win" and join in "a war for human dignity, a war for health and enlightenment. . . ."

The United Nations Association issues a report by a panel of 27 prominent citizens urging that the "two Chinas" be represented at the U.N.

Oct. 21—In Australia, President Johnson expresses appreciation for Australia's involvement in the Vietnam conflict. Johnson is warmly greeted in Melbourne; however, his limousine is splattered with paint by anti-Vietnamese war demonstrators.

Oct. 27—Following the meetings in Manila, President Johnson arrives in Thailand on a state visit.

U.S. Ambassador-at-Large W. Averell Harriman arrives in Indonesia for talks with Indonesian leaders.

Oct. 31—President Johnson leaves for South Korea after a stopover of less than 24 hours in Malaysia.

Government

Oct. 2—Utah becomes the fiftieth state to file a letter of intent with the Federal Water Pollution Control Administration announcing that it will adopt its own standards, subject to federal approval, to limit pollution of interstate streams and lakes within the state. Secretary of the Interior Stewart L. Udall applauds the cooperation shown by the states.

Oct. 5—Representative Adam Clayton Powell

(D., N.Y.) is tried in absentia in New York for criminal contempt of court; charges stem from his failure to pay damages in defamation of character judgment against him.

Oct. 6—A federal grand jury in Pittsburgh indicts 15 manufacturers of plumbing fixtures for criminally conspiring to fix prices.

Ambassador-at-Large Llewellyn Thompson is named ambassador to the Soviet Union. The ambassador to the Organization of American States, Ellsworth Bunker, becomes ambassador-at-large. Samuel M. Linowitz is named ambassador to the O.A.S. and the U.S. representative on the Inter-American Committee for the Alliance for Progress.

Oct. 7—Congress completes action on a \$2.94 billion foreign aid bill, the lowest foreign aid bill to be voted in 9 years. The bill is \$443.4 million less than the President asked, is sent to the White House. The bill prohibits assistance for nations dealing with Cuba and North Vietnam.

Oct. 10—Representative Adam Clayton Powell is found guilty of having refused to obey 5 court orders to disclose his assets. New York State Supreme Court Justice Matthew M. Levy announces he will not sentence Powell until he decides whether the trial was valid.

John W. Gardner, Secretary of the Department of Health, Education and Welfare, announces that the U.S. Public Health Service will be reorganized.

Oct. 11—President Johnson signs the Child Nutrition Act, authorizing \$54.5 million to provide milk for schoolchildren and to introduce a breakfast program for needy children.

Oct. 12—The Commerce Department announces a list of over 400 items that may be exported to the Soviet Union and Eastern Europe without special licenses.

Speaking in Baltimore, President Johnson announces plans to ask the 90th Congress for a 10 to 15 per cent increase in social security payments as well as other social security benefits.

Oct. 13—The House Government Operation

Committee, in a 125-page report, charges U.S. departments and agencies with mismanagement of aid funds for South Vietnam.

Oct. 14—President Johnson signs a bill to remove tariff and other restrictions on imports of educational, scientific and cultural materials.

The Senate approves and sends to the President a \$186 million bill for curbing air pollution.

The Senate completes congressional action on a bill requiring warning labels for hazardous products. The bill also bans hazardous toys and children's products containing harmful materials from interstate commerce.

The Imperial Wizard of the United Klans of America, Robert M. Shelton, Jr., is sentenced to one year in prison and a \$1,000 fine for contempt of Congress. When Shelton appeared before the Committee on Un-American Activities, he refused to produce subpoenaed records.

Oct. 15—President Johnson signs 7 conservation bills.

President Johnson signs a bill creating a Department of Transportation, the twelfth cabinet office.

Oct. 16—The White House announces that President Johnson has signed a \$4.1 billion public works appropriations bill for fiscal 1967.

Speaking in Doylestown, Pennsylvania, to Polish Americans at the consecration of a Roman Catholic shrine, President Johnson urges this ethnic minority to support "the spirit that says a man's skin shall not be a bar to his opportunity. . . ."

Johnson signs a \$58 billion military appropriations bill for the Department of Defense for fiscal 1967; it also authorizes the President to call up reservists for active duty without first proclaiming a state of emergency.

Oct. 17—It is announced that on October 15 President Johnson signed a bill extending the U.S. fishery zone from 3 miles to 12 miles offshore.

Congress approves and sends to the Presi-

dent a \$3.7 billion bill to combat water pollution.

Oct. 18—The Senate completes congressional action on creation of the Indiana Dunes National Lakeshore.

Oct. 19—The Senate completes congressional action on a bill providing for clearer labeling and honest packaging of goods to protect consumers.

Oct. 20—The House completes congressional action on the \$1.75 billion authorization bill extending the antipoverty program for another year.

The House sends to the White House the \$1.3 billion Demonstration Cities bill for urban rehabilitation.

The House approves and sends to the President a bill authorizing \$6.2 billion to assist elementary and secondary education over 2 years. The bill expands the 1964 Elementary-Secondary Education Act. A controversial amendment to curb the government's power to withhold funds from segregated schools is very much watered down.

Oct. 21—The House completes congressional action on a bill to provide funds for the hospital treatment and rehabilitation of narcotics addicts.

The Senate approves and sends to the White House the plan to withdraw for 15 months 2 tax incentives for business expansion; a \$3.97 billion compromise bill for federal aid to colleges in the next 3 years; and a \$5 billion Food for Peace bill extending the program for 2 years.

Oct. 22—The Senate completes congressional action on a tax bill to stimulate foreign investment; it includes a rider providing for financing presidential campaigns through voluntary \$1 contributions out of federal income tax payments.

Oct. 26—The Senate ethics committee announces that hearings will inquire into the "financial affairs and other activities" of Senator Thomas J. Dodd (D., Conn.).

Oct. 27—In Thailand, President Johnson signs a \$5.2 billion supplementary appropriations bill for various programs, including \$1.6 billion for the antipoverty war;

the bill gives the President discretionary power to grant credit to Communist countries, in order to promote trade.

Oct. 30—Before concluding his Thai visit, President Johnson signs the International Education Act providing federal grants to U.S. colleges for research in international affairs.

Oct. 31—The Federal Bureau of Investigation announces that it has arrested a U.S. air force staff sergeant, Herbert W. Boeckenhaupt, for espionage.

Justice

Oct. 5—The murder conviction of Jack Ruby (charged with killing Lee Harvey Oswald, alleged assassin of President John F. Kennedy) is reversed by the Texas Court of Criminal Appeals. A new trial is ordered by the court.

Labor

Oct. 2—President Johnson issues a statement urging the International Union of Electrical Workers (I.U.E.) to keep bargaining and to postpone a strike against the General Electric Company for 2 weeks because G.E. production is related to the Vietnamese war effort. The I.U.E. agrees to continue negotiations with General Electric. Ten other unions have coordinated their negotiations with the I.U.E.

Oct. 5—The United Auto Workers and the Chrysler Corporation agree tentatively to end a 6-day strike.

Oct. 10—Secretary of Labor W. Willard Wirtz, Commerce Secretary John T. Connor and the Director of the Federal Mediation and Conciliation Service, William E. Simkin, brief the President on the continuing impasse over negotiations between G.E. and 11 unions.

Oct. 14—General Electric and 11 labor unions settle their differences. The settlement will cost G.E. 5 per cent annually; workers will receive more than 51¢ an hour over a 3-year period, if the cost of living rises enough for maximum payments. Local plant grievances remain unresolved.

Oct. 18—A federal district court judge in Dayton, Ohio, issues a preliminary injunction under the Taft-Hartley Act ordering 5,900 strikers (members of the machinists and auto workers' unions) at the G.E. jet engine plant at Evendale, Ohio, back to work. Over 19,000 G.E. workers, members of local unions, are out on strike over local issues.

Oct. 22—The I.U.E. and the Westinghouse Electric Corporation agree on a new 3-year contract.

Oct. 31—According to the Labor Department, local unions at 10 to 12 G.E. plants are continuing to strike over local issues.

Military

Oct. 3—*The New York Times* reports that 75,000 more troops are scheduled to be sent to Vietnam by the spring of 1967.

Oct. 12—The Defense Department announces that the draft quota for December has been cut to 37,600 from 43,700 because of the increase in enlistments and reenlistments.

Oct. 14—Defense Secretary Robert S. McNamara returns from a 4-day visit to South Vietnam and confers with President Johnson at the White House. Later, McNamara declares that he can foresee no reason for calling up the reserves or national guard forces.

Politics

Oct. 3—Former President Dwight D. Eisenhower tells a news conference that he would "not automatically preclude anything," including nuclear weapons, to end the Vietnamese war.

Charles Longstreet Weltner, a 2-term congressional representative from the fifth congressional district in Georgia, withdraws as its Democratic nominee rather than support segregationist Lester G. Maddox as the Georgia Democratic gubernatorial candidate. According to a state loyalty oath, all Democratic candidates running in primaries must agree to support the entire state Democratic slate.

Ray C. Bliss, Republican Coordinating Committee chairman and chairman of the Republican National Committee, discloses the results of a poll taken for the national committee; 58 per cent of the persons interviewed believed civil rights and racial incidents to be pressing national problems. The coordinating committee charges that the "Johnson-Humphrey Administration has accomplished nothing of substance to date to promote public safety."

Oct. 7—At a Democratic rally in Newark, New Jersey, Johnson applauds the legislative record of the 89th Congress and charges the Republicans with trying to "scare people" to "win a few votes."

Oct. 9—Barnstorming in Iowa, Senator Robert Kennedy is welcomed by crowds everywhere.

Oct. 13—President Johnson addresses crowds in Wilmington, Delaware, where he describes the Democratic Party as "the friend of all American families."

Oct. 14—Richard M. Nixon, former U.S. Vice-President, issues a statement indicting President Johnson for "a vicious, unwarranted and partisan assault upon the Republican party. . . ." In his statement, "Playing Politics with Peace," Nixon criticizes President Johnson's view in his speech of October 13 "that a vote for the Republicans could cause the nation to 'falter and fall back and fail' in Vietnam." Nixon asks Johnson to apologize to Republicans.

President Johnson tours New York City to support the Democratic candidate for governor, Frank D. O'Connor.

Oct. 16—It is announced that 3 high-ranking Republicans have sent a letter to the Fair Campaign Practices Committee accusing President Johnson of deliberately distorting the Republican voting record on social security and medicare.

Science and Space

Oct. 10—At the 17th annual International Astronautical Council, it is disclosed that 2 unmanned U.S. satellites collided with one another 18 months ago.

Supreme Court

Oct. 3—The Supreme Court opens its 1966 session.

Oct. 18—The Supreme Court orders that the merger of the Pennsylvania and New York Central railroads be delayed while it reviews a 3-judge federal court decision in New York refusing to enjoin the merger indefinitely.

VATICAN, THE

Oct. 4—On the first anniversary of his U.N. trip to plead for peace, Pope Paul VI holds an open-air mass in St. Peter's Square in Rome to pray for peace in Vietnam.

VENEZUELA

Oct. 30—It is reported that an attempted coup against President Raul Leoni's government has been quelled.

VIETNAM, REPUBLIC OF (South)

(See also *Intl, Manila Conference and War in Vietnam*)

Oct. 11—*The New York Times* reports that "informed sources" have disclosed a rift between Vietnamese from the North and the South in Premier Ky's cabinet, partly because of the 24-hour detention of the secretary of state for health, the Southerner Nguyen Tan Loc.

Oct. 12—Two cabinet ministers, in a telephone interview in which they refuse to identify themselves, tell reporters that they and 4 other Southern ministers have submitted their resignations.

Oct. 14—It is reported that Ky has refused to oust the director of the national police, Nguyen Ngoc Loan, as demanded by 6 cabinet ministers.

Oct. 19—*The New York Times* reports that South Vietnamese officials have reported that 2 cabinet ministers have withdrawn their resignations; the remaining 5 dissident cabinet ministers have agreed to remain until after the Manila Conference.

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- Oct. 24—*The New York Times* reports that over the weekend "a special Buddhist unity convention" was held in Saigon; 200 delegates, some moderate and some militant, are said to have fought among themselves.
- Oct. 29—Au Truong Thanh, the minister for economy, resigns.

YEMEN

- Oct. 7—A Yemeni radio station announces that President Abdullah al-Salal has purged nearly 100 senior army officers.
- Oct. 25—It is reported by the Egyptian News Agency that 7 Yemeni officials have been

executed after their conviction for high treason.

YUGOSLAVIA

(See also *India*)

- Oct. 4—In a party reorganization at the fifth plenary session of the central committee President Tito takes the title of president of the League of Communists. Ultimate responsibility for policy determination is shifted from the executive committee to a newly-formed presidium.

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